















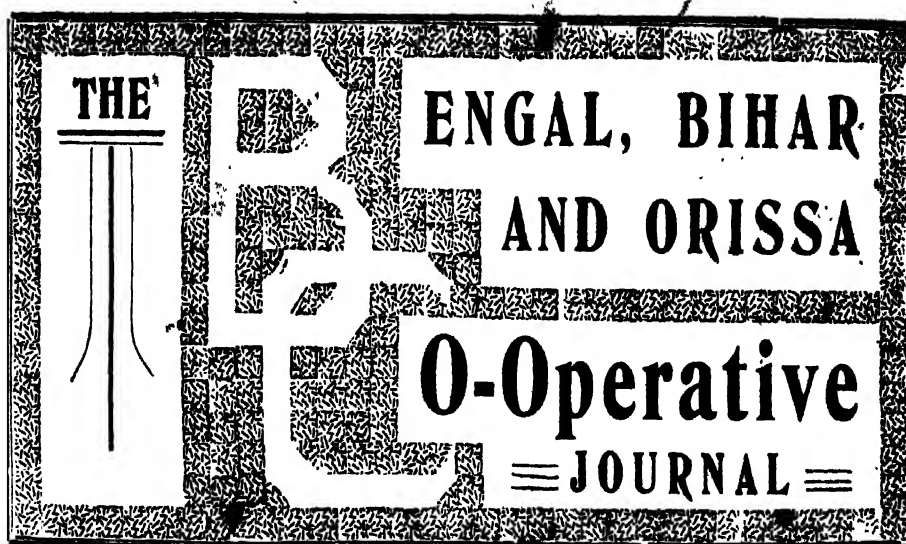




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Vol. X

JULY 1924

No. 1

### NOTES AND NEWS.

With this issue of the Journal we enter on our tenth years of existence. While thanking our constituents and contributors, we cannot help referring to the increasing difficulties we feel in getting contributions for the Journal. The departmental officers and the non-official co-operators have not given us this desired amount of help in maintaining the traditions of the Journal. The interests of the co-operative movement in Bengal demand that the Department should utilize the Journal in keeping the public informed of its activities and efforts in furtherance of the movement, and the non-official co-operators—specially the Central Bank authorities—should ventilate their hopes and



feelings through the columns of the Journal, and thus make it the true organ of co-operative opinion in this province.

The Bihar and Orissa Annual report for the year 1922-23 shows how much of the success of the co-operative movement in a province depends on the personality of the Registrar. Khan Bahadur Mohi-ud-din Ahmed is to be congratulated on the splendid success he has achieved in applying the principle of co-operation to the solution of pressing economic problems. The one outstanding features of his report are the joint action of his Department with the Agricultural Department and the utilization of the Central Banks in introducing new seeds and implements among their constituent societies and thus helping the members of the latter to improve their economic position in an appreciable manner.

It is refreshing to learn that the Central Banks continued to give increasing attention to the question of spreading primary education. The Congress of the Co-operative Federation recommended that every Central Bank should have an education fund for which it should set apart 5 p. c. of its annual profits. The contributions of the Central Banks during the year was Rs. 3,661 which, augmented from time to time by reserve funds of liquidated societies amounted to the decent sum of Rs. 4,937. This was further supplemented by a grant of Rs. 25,000 from the district boards. This sum has been spent in the construction of school buildings, maintenance of schools and *pathsalas*



and the purchase of books and other requisites. This is a very commendable example of self-help in education and should inspire co-operative workers in our province with zeal in making similar efforts.

Like so many other public institutions of Bengal the Bengal Co-operative Organisation Society has suffered a severe loss in the death of Sir Ashutosh Mookerjee who was a member of the Society from its very foundation. We fondly cherished the hope that he would some day honour the Society by becoming its President and infuse new strength into it. But the cruel hand of death has snatched him away from his country and countrymen at a time when they had the greatest need of his leadership and guidance. May his soul rest in peace !

We congratulate the Punjab Government on the bold step they have taken in establishing a Provincial Co-operative Service with effect from the 1st. April, 1924. For years past we have been advocating the adoption of the same course of action in this province. The present system of importing Executive officers into the Co-operative Department for a few years and then transferring them to the districts is defective as the experience gained by these officers goes for nothing in furtherance of the movement. It is also Discouraging to the senior Inspectors and divisional Auditors to be shut out from the prize posts of the Department. We invite the attention of Govern-



ment to the Punjab Government communique printed elsewhere.

We offer our congratulations to Sir P. C. Mitter, Rai Bahadur Surendra Narayan Sinha, and Rai Sahib N. C. Bose—the former a life-member and the latter ordinary members of the B. C. O. Society—on the honours bestowed on them. We hope they will continue to take an active interest in the affairs of the B. C. O. Society.

We welcome the appearance of our new contemporary—the “Bombay co-operative News.” It is intended to supplement—not to supplant—the “Bombay Co-operative Quarterly.” We wish all success to this new venture of the Bombay Co-operative Institute and judging from the contents of the first two issues we feel confident that it will be of great use to practical co-operators throughout India.

We welcome Mr. G. S. Dutt’s appointment as Secretary to the Government of Bengal in the Department of Agriculture, Industries and Co-operation. His important work at Bankura and Birbhum, his zeal for all good causes, his burning desire to improve the economic conditions of the people and his intimate knowledge of Bengal districts will enable him to



discharge his new duties in the most befitting manner. He took an active part in the establishment of the Bengal Co-operative Organisation Society and he has continued to take a real interest in its affairs ever since its inception. We have high hopes that he will help us in so reconstituting the B. C. O. S. as to make it a real Union of all Co-operators and Co-operative Societies in the Province. What is wanted now is the enunciation of a vigorous policy of non-credit agricultural and industrial Co-operation and the reconstitution of the B. C. O. S. into an All Bengal Co-operative Union. Mr. Dutt has now—not Bankura or Birbhūm—but the whole of Bengal as the field of his beneficent activities, and the Co-operators of Bengal expect great things from him.

It is discouraging to find that the co-operative movement in the Central Provinces and Berar has received a decided setback; indeed, the report of the Registrar of Co-operative Societies states that in some districts the movement is on the verge of a complete collapse which must involve the ruin of a large number of cultivators. The causes which have led to this condition of affairs are summed up in the Government Resolution on the subject which points out that the over-optimism which prevailed in the management of the Central Banks in the past and the lack of sound business precautions led to an inflation of credit which was not justified by the facts. The consequence was that when money became tight the rates of interest had to be raised, and the cheap credit, which on its material side is the *raison d'être* of the movement



largely ceased to exist. It appears that, notably in 1919-20, there was an unhealthy expansion in the number of societies. This did not represent a spontaneous demand on the part of the cultivator for co-operation, but rather a demand by co-operative banking for an outlet for capital. In fact, the Registrar states that any collection of ten or more cultivators who would consent to take a joint loan was registered as a society. It was impossible for the Registrar with the staff at his disposal to check these applications thoroughly and the responsibility was laid on the Central Banks. In the first burst of enthusiasm for the movement, workers familiar with the principles of co-operation and in close touch with the cultivators were available as directors. But the numbers have declined, and young men are not coming forward in adequate numbers to assist. The Central Banks, with few exceptions, are managed by members of the legal profession or money-lending classes. The former are competent to do the work that can be done at headquarters, but the nature of their occupation precludes them from visiting and inspecting societies on the spot. Most of the money-lending classes still think that the co-operative movement is inimical to their own interests, and when they take an active part in the affairs of the Bank it is usually found that their interest centres in the financial rather than the educational side of the undertaking. The Registrar, indeed, sees little hope that the co-operative principle of self-help will be fostered under a system which substitutes control by a body of men who have little in common with rural life for the control by Government which obtains in most of the other Provinces of India.



Judging by statistics, the co-operative movement in India would seem still to be full of vitality, although its position in Bengal and elsewhere gives some cause for disappointment. The Commercial Intelligence Department has issued the fifth of a series of statements showing in figures how the movement is progressing; and the advance made since the year 1906-07 is remarkable. A diagram covering the period from 1907 to 1923 shows a line, indicating the number of societies of all kinds, which rises in a buoyant curve from a level under 2,000 to over 56,000, chiefly agricultural. The number of members of primary societies has increased during the same period from about 162,000—the average of the first four years—to more than 2,000,000, and the additions recorded during the last four years indicate that the up-ward movement still continues. Working capital has grown from comparatively modest dimensions to an enormous figure. These and other facts tabulated in the returns bespeak healthy progress, but congratulations on this account are subject to some qualification when we look into the detailed figures, which indicate that some provinces, Bengal included, are not keeping pace with others. Bengal ought to lead the way in the co-operative movement, but its proportion of 16.8 societies per 100,000 inhabitants compares but poorly with 19.9 in Madras or 45.6 in the Punjab. Great though the advance of the movement has been during the last seventeen years, much remains to be done before the benefits of the co-operative principle are even half realised.



In several of the recent issues of this Journal considerable space has been devoted to the institutions started in the United States of America for providing long term loans to the agriculturist on the mortgage of his property. The American experiment originated in 1916 and since then it has attained considerable success. These institutions comprise some which are based on co-operative principles and are meant to cater for the needs of the small land-holders; these are the "Federal Land Banks". We have also studied the nature of the Joint-stock Land Banks; these are to meet the agriculturist's demand on the larger scale and they work on principles analogous to those of ordinary banks. For the formation of the Federal Land Banks the country is divided into twelve districts; in each district there is a Federal Land Bank which lends money to such farmers as are members of local National Loan Farm Associations. Control is exercised over both kinds of banks by Federal Farm Loan Board.

The problems of America however, differ from those of India. Our land tenure systems, inheritance laws and other circumstances differ so widely from those of America that it would be unwise to trans-plant the American scheme bodily. In this connection we have to call attention to an able article on the subject of Indian Land Mortgage Banks by Mr. Richard Burn, I.C.S. of the Board of Revenue, United Provinces. He suggests the formation of a bank to lend money to estates of which the administration is vested under the Court of Wards. It has been shown by experience that such loans are considered safer than loans made to ordinary estates, while many of the difficulties



which stand in the way of land mortgage loans in India are also minimised in this case. Mr. Burn wisely suggests a modest beginning made by the start of a bank with a capital of five lakhs with provision for issue of bonds up to the maximum of a crore of Rupees. The Capital of the bank could of course be increased whenever such a course appears necessary. The American provision regarding formation of a reserve to the case of Federal Land Banks should be followed.

It has also been suggested that the directorate should include one Government representative, but others should be elected by the shareholders. After the bank has laid by an adequate reserve it might extend its operations beyond the Court of Ward Estates and lend to landowners who desire to purchase fresh land or make improvements. We strongly favour the adoption of the project of Mr. Burn which is an eminently safe and feasible one. We cannot expect to see substantial agricultural progress unless and until such banks are started and Mr. Burn has deserved well by pointing out that side from which the objective can be approached with the greatest chances of success.

The Report on the working of Co-operative Societies in the Punjab for 1922-23 is exceptionally interesting reading. The strong personality of Mr. Calvert stands out in it whether he is protesting against retrenchments affecting the Co-operative Department or commenting vigorously against the prohibition of Arbitration Societies. It is comforting to learn that though the



legal defects of these societies could not be overlooked, yet they are shortly to be revised and that a solution will soon be arrived at which will remove the discontent that has been the result of the closure of these societies.

On the whole the period under review has been one of consolidation rather than of expansion. This was due partly to financial stringency and partly to bad harvest and falling prices. Still there are many phases of co-operation in the Punjab which extort our admiration. Thus, for example, we see that the Central Banks have thriven greatly their deposits from individuals amounted to Rs. 109 lakhs, and that as immediate cover for this they hold over 20 lakhs of cash and paper besides owning 15.4 lakhs and have capital. Less than half the profits of the Central Banks were distributed as dividends. A policy of absolute security is thus being steadily followed and great progress has been made towards placing them upon a sound financial basis. Coming to the primary societies we are introduced to novel problems of membership. The question of the admission of women in co-operative societies is being mooted. There is a woman in Amritsar who is treasurer of a credit society, there are a number of women members, especially in the central Punjab, but generally their inability to attend meetings and the social and economic factors combine to exclude them. The strength and morale of the primary societies is rising rapidly. "A very large number of our societies are now really co-operative and influential" Again, we are told that there are over 800 societies now which are financially independent, that is to say, able to meet the normal requirements of their members



without resort to the central bank or union. There is no danger in this since the societies have amassed experience as well as funds; moreover, the central banks might easily have to find some other vent for their funds.

We are further informed that in that province opinion is crystallising in favour of shares being returnable but profits indivisible for ever. This wide adoption of the system of indivisible profits discourages profit-seeking while it further secures a large common fund for the village from which its needs will be met in the future. The larger this common fund and the lower the rate of interest, the greater the opportunity for investment in the improvement of land etc.

Another great experiment for which the Punjab must be given credit is that of co-operative consolidation of holdings. The greatest success has been won in the Jullender tehsil where the fragmentation was great. In the village of Chomon in that tahsil, last year 736 acres were repartitioned, while this year 722 acres more have come under treatment. In that village one owner had his land in 200 different places and has it now in one! In the Shahpur tehsil, some 6000 acres in 2000 scattered fields have been re-adjusted.

The Arbitration Societies had also achieved considerable success as we have already observed.



M. Calvert tells us an interesting "tale of two local notables who were given honorary judicial powers; the ambitious one went about instigating cases, and then settling them in his court, the other a leading co-operator, devoted himself to securing amicable relations between disputants without coming into court at all. The latter was deprived of his powers on the ground that there were no cases within his jurisdiction, while the former has a beautiful record of public work to his credit."

The Co-operative movement in Bihar and Orissa has had another year of successful progress. The report will amply repay a careful study. We shall only touch some of the more notable features. The tale of "material and moral improvement" was worth-telling and has been told well. The movement has contributed to purchase, redemption and improvement of land and has thus promoted the cause of agricultural improvements among society members, the idea of cutting down unproductive expenditure has been acquiring momentum. The commercial enterprise of members has been encouraged and supported, and several members have made good profits by trading in tobacco, cloth, kerosene oil, salt and timber with the help of *Punji* loans. The reformation of that once criminal tribe the Pans is to be attributed to Co-operation. This community of former maranders is now maintaining 36 special schools at a cost over three thousand rupees. The Pan ex-convicts have settled down as respectable citizens, thanks to Co-operation.



The central banks have been satisfactory agencies as regards the fulfilment of their financial functions; and with the gradual formation of the guaranteeing unions they will be equally efficient as regards the function of the supervision of primary societies. But there is great need to hasten the process of formation of such unions which have proved their efficiency by improving the classification of their affiliated societies. The central banks deserve great credit for helping members of societies in other directions besides credits. Thus they have been helpful in encouraging the introduction of improved seeds like Pusa wheat No 12 or the Dahia paddy or Pusa paddy. Then again they have helped in the introduction of the cultivation of jute and in the extension of the cultivation of cotton, sugar and potato. Much of the success in improving agriculture is due to the Agricultural Department having worked in close co-operation with the Co-operative Department. The central banks on their part have, generally speaking, fully realized that they are not only to finance the agriculturist but should also show him how to improve his position. It is a pity to find that in spite of some progress practically the whole year was one of financial stress for the Provincial Bank and that, as a consequence, the cash credit of more than 5 lakhs allowed to the central banks had to be cut down. Still there are numerous satisfactory features which mark the progress of the movement in Behar and Orissa.

We have thankfully received a copy of "Economic Aspects of the Indian Rice Export Trade" written



by Mr. S. A. Latif. Mr. Latif is a busy man and is to be congratulated on his finding time to make a study of this important economic problem. The matter is a controversial one and Mr. Latif is an able exponent of the popular side of the controversy. Though one may not agree with many of his views and suggestions, yet one must give him credit for focusing public attention on this problem. The get-up of the book is excellent and is written in a flowing easy style. This publication is well worth a perusal by all those interested in the question.



# **REPORT OF THE BENGAL CO-OPERATIVE ORGANIZATION SOCIETY FOR 1923.**

## **Sixth Annual Report, (1923)**

The Bengal Co-operative Organisation Society has completed the sixth year of its activities.

**MEMBERSHIP** :—The Society consists of Patrons, Life-Members, Ordinary Members and Affiliated Societies. On December 31st, 1923, the Society consisted of 4 Patrons, 25 Life-Members, 51 Ordinary Members and 914 Member-societies. The total number of members was thus 994 as against 903 at the end of last year. Endeavours are being made to enlist a large number of societies as members and there is every reason to believe that the number of ordinary members will be augmented by the addition of a fairly large number of non-officials who have signified their intention to join the Society.

**CENTRAL BANKS** :—It is no doubt disappointing that out of 89 Co-operative Central Banks in Bengal only 19 have become members of this Society, but there are indications that more such Banks will accept our membership at a no distant date. The Society is grateful to those Central Banks which have taken the trouble in getting the rural societies under them affiliated to it and hopes that the other Central Banks will help us in achieving our object.



### BENGAL, BIHAR AND ORISSA CO OPERATIVE JOURNAL :—

The Society is doing its main propagandist work amongst the educated classes by means of its English organ—The Bengal, Bihar & Orissa Co-operative Journal—which completed its eighth year of issue in April 1923. It continued to appear regularly during the year under review under the joint editorship of Professors J. C. Coyajee and P. Mukherjee who have earned our gratitude by performing their self-imposed task so well.

**THE BHANDAR :—**This is the vernacular organ of the Society. It completed its fifth year of issue in Asharh 1330 B. S. During the period under review the following improvements were made to make the Bhandar more interesting and attractive:—

1. Since the month of Baisakh last the size has been increased and each issue now contains four forms in stead of three forms as in previous years.
2. Five picture-blocks have been introduced to group the articles under different headings.
3. The Puja issue was a special number and it had on its cover a tri-colour picture of a co-operative tree throwing shade to protect cottage industry, agriculture and fishery from the scorching rays of the Mahajan-sun.

The extra expenditure incurred was fully justified by the increase of over Rs. 500/- in subscription. This shows the public appreciation in the propagandist value of the publication, and, as such, it has proved to be “a potent instrument for furthering the success of co-operative principles”.

The Society records its thanks to Rai Nitya Charan Nag Bahadur, Babu Jatindra Nath Ghosh and Moulvi



Abdul Khaleque for taking active interest in increasing the circulation of the Bhandar and hopes that their example will be followed by our fellow co-operators. Rai Sahib Taraknath Maitra, B.L. deserves best thanks of the Society for his able editorship. The Society expresses its thankfulness to the contributors of articles who have evinced a good deal of interest in the co-operative propaganda work. Our thanks are also due to the Director of Public Instruction, Bengal, for subscribing 200 copies for distribution to schools in Bengal.

**PAMPHLETS AND OTHER PUBLICATIONS :—**Besides the pamphlets and leaflets published in previous years, the Society has published the following in leaflet form :—

1. The opinions of the non-official co-operators on the Recommendations of the Bengal Retrenchment Committee regarding the Co-operative Department.

This was published both in English and Bengali and circulated among the Members of the Legislative Council.

2. Notes on the reconstitution of the B. C. O. Society. This has been circulated to all the Central Banks in Bengal and to official and non-official co-operators.

3. Proceedings of the fifth Annual General Meeting and the Report of the Sub-Committee on the reconstitution of the B. C. O. Society.

This has been circulated to all the Central Banks in Bengal for opinion and criticism.

Posters and hand-bills describing the object of the Society were printed and distributed to the public through District Conferences and village societies. They



were also freely distributed at the Calcutta Exhibition of 1923.

The B. C. O. Society has now got 18 saleable pamphlets of which 12 are printed in English and 6 in Bengali. The sale proceeds of these amounted to Rs. 40/2/-

**THE BUCHAN MEMORIAL LIBRARY:**—We have now 184 volumes in the library. The Registrars of Co-operative societies of most of the provinces and the Secretaries of several Central and Provincial Banks are supplying us with their publications.

We receive the following journals in exchange for the Co-operative Journal:—

1. The Modern Review, 2. Indian Review, 3. The Mysore Economic Journal, 4. The Agricultural Journal of India, 5. The Central Hindu College Magazine, 6. The Mahamandal Magazine, 7. The Madras Bulletin of Co-operation, 8. Bombay Co-operative Quarterly, 9. Local Self-Government Gazette, 10. The Indian Scientific Agriculturist, 11. The Bengal Agricultural Journal, 12. The Daily Intelligence (League of Nations, Geneva), 13. The International Labour Review (League of Nations, Geneva), 14. The Progress, 15. The Navayuga, 16. The Liberator, 17. The Indian Accountant, 18. The Lucknow University Journal, 19. The Indo-German Commercial Review (Berlin, Germany), 20. The Indian Journal of Economics, 21. The Bengalee and 22. The Calcutta Commercial Gazette.

We get the following other Journals in exchange for the Bhandar:—



1. Probashi, 2. Upasana, 3. Nabya Bharat, 4. Krishak, 5. Krishikatha, 6. Bhumilakshmi, 7. Krishi Shamachar, 8. Pallisri (Chinsura), 9. Pallisri (Mymensingh), 10. Panchayet, 11. Basanti, 12. Sanghati, 13. Swaraj, 14. Matri-Mandir, 15. Kangsabanik Patrika, 16. Education Gazette.

We subscribe the following:—

1. The International Bulletin of Co-operation.
2. The Irish Economist.

**CO-OPERATIVE PROPAGANDA WORK :—**The Society took a prominent part at the Third Annual General Meeting of the Central Co-operative Anti-Malaria Society which was held at the Overtoun Hall, Y. M. C. A. on Saturday, the 14th April, 1923, under the presidency of Sir P. C. Roy. Biscopic films exhibiting Anti-malaria methods were shown at the meeting.

The Hony. Secretary of the B.C.O. Society gave discourses on "Co-operative Credit," "Difference between Joint-Stock Companies and Co-operative Societies," "Agricultural Co-operation" and other allied subjects to well-attended meetings at the following villages in the Diamond Harbour Subdivision (24 Perganas) :—

1. Gubbaria, 2. Baidyapur, 3. Mathurapur, 4. Daulatpur, 5. Bhaduria, 6. Barkhali, 7. Hansgaria, 8. Hatuganj.

He also attended several public meetings and availed of the opportunities to speak on the co-operative movement.

The Secretary made endeavours to spread co-operative education and ideas among post-graduate students of the Calcutta University, but to his disappointment,



he could not find them responsive. The reason is not far to seek. Our educated young men aspire to be captains of industry and merchant princes, and, as is expected, their aim in life is to amass large fortunes for themselves and to raise standard of living regardless of the fact that the wealth of one man implies the poverty of another. Those who aspire to enter the learned professions know very well that the rich cannot become richer unless the poor becomes poorer. In view of these facts and having regard to the fact that there is no co-operative road to reach the summit of individual ambition the benefit of the co-operative movement, established mainly to provide co-operative credit for the cultivator and illiterate rural population, cannot be brought home to our educated young men. The Secretary has, therefore, thought it proper to organise propaganda work in villages instead of convening meetings in Calcutta. The great need of the movement is the enlistment of earnest workers. But circumstanced as we are there is hardly any possibility of securing a sufficient number of honorary workers. There is also no chance of spreading co-operative education through the agency of Departmental officers whose time is fully occupied in supervision work. In the last Annual Report of the Registrar very encouraging figures are given, but this also lends countenance to the supposition that the existing staff of inspecting officers is hardly adequate to cope with the routine work that has devolved on them by the rapid growth of the co-operative movement and the necessity for carrying on the propaganda work through an extra departmental agency is therefore very great.

The B. C. O. Society is convinced that the educational value of the co-operative movement is unlimited and that there is no room for pessimism. Owing to the paucity of voluntary workers possessing education and intelli-



gence the Secretary sought the assistance of the Registrar who very kindly made a donation of Rs. 160/- for the employment of an extra departmental agent. With this small honorarium a young man has done propaganda work for about eight months. The result has been highly satisfactory as will appear from his report, a copy of which has already been forwarded to the Registrar and the Asst. Registrar, Dacca. An article contributed by him detailing his achievements will appear in the Baisak issue of the Bhandar. He was given a specified area in the Faridpur Dt. and an extract from his report is attached to show the method adopted by him in preaching the gospel of co-operation.

Experience has shown that the people are no longer satisfied with such credit societies as are little more than loan offices—the moral side is more and more regarded as the important aspect. The demand for the establishment of co-operative societies with limited liability to foster cottage and other industries is great; but the difficulties in the matter of financing such societies seem to be almost insuperable. For instance, the Goalundo Central Bank appears to be averse to finance societies with limited liability and the consequence is that the Agricultural Associations and Urban Banks organised by the Additional Non-official Agent are not making any headway. The Secretary attended the last Annual General Meeting of the Goalundo Central Co-operative Bank and succeeded in inducing the shareholders to agree to finance an Irrigation Society, one of the six co-operative concerns, organised by him, to the extent of Rs. 2,000 at an interest of Rs. 8% per annum. This is a step in the right direction and if the experiment proves a success it would go a great way to solve the question of water supply in rural areas through the co-operative movement. It is possible to establish a



net-work of well-managed co-operative societies if arrangements can be made for their efficient propaganda by additional non-official agents with allowances. Unless this can be arranged by the Co-operative bodies it might lead to an inflation of credit and an unhealthy expansion in the number of societies resulting in the set back of our magnificent movement.

The Society has now got a magic lantern of its own and a trained lecturer. The appropriate slides are under preparation and a vigorous propaganda work will be commenced in right earnest as soon as funds are available.

Under the auspices of the Bengal Co-operative Organisation Society and the Midnapore Central Bank the Fifth District Co-operative Conference was held in the Bradly-Birt Hall of the Midnapur College. Maharaja Khshaunish Chandra Roy Bahadur of Nadia, M.L.C., a Life-Member of the Society presided. Babu Girish Chandra Mazumdar, representative of the Society attended the Conference with the Society's publications and six time-piece prizes awarded by the B. C. O. Society to six secretaries of rural societies for good work.

Rai R. M. Lahiri Bahadur, Hony. Secretary, B. C. O. Society and Babu Nibaran Chandra Chakravorty, Asst. Editor, "Bhandar" attended the Third Khulna District Co-operative Conference held on the 23rd September 1923, at the Khulna Coronation Hall. The gathering was very large, more than 1,200 people assembled, of whom about 800 were delegates from the rural societies in the district. Mr. D. Gladding, I.C.S., Dist. Magistrate, Khulna presided. The Hony. Secretary and the Asst. Editor took an active part in the proceedings of the Conference.



The Society's medals were awarded to the following successful co-operators in the district :—

1. To Babu Akshoy Kumar Roy Choudhury, Secretary of the best "A" class society in Khulna Sadar area.
2. To Babu Mahendra Nath Sen, Ex-Secretary, of the only "A" class society in the Bagerhat area.
3. To Babu Ganga Charan Biswas, Secretary of the best Society in the Raruli area.

**COMMITTEE MEETINGS :—**Over and above the meetings of the General Committee there were four meetings of the Executive Committee.

**BUREAU OF INFORMATION AND ADVICE :—**The Society has become a Central Bureau of information and advice. Enquiries have been addressed to the Secretary not only from different parts of Bengal but also from different parts of India. Information regarding agricultural implements and machinery, information regarding various kinds of co-operative societies, queries regarding books and author and various other details have had to be attended to by the Secretary ; this is gradually growing to be an important function of the Society.

**THE FINANCIAL POSITION OF THE SOCIETY :—**The Society has a funded capital of Rs. 2,700/-. The audited statement (App. A) gives an account of the financial position of the Society during the year 1923. During the year under review the Society received from the Government the usual grant of Rs. 2,980/-. The grateful thanks of the Society are due to Government for this financial assistance.

**PROPOSED REORGANISATION OF THE B. C. O. SOCIETY :—**The matter has been engaging the attention of all co-



operators for the last 2 years, but as yet without any definite result. Two schemes prepared by Prof. P. Mukherjee and Khan Sahib Kabiruddin Ahmed respectively were printed and circulated to all Central Banks and the opinions received were published in the Journal and were also discussed at the last Annual General Meeting of the Society. If the movement is to grow strong this Society should be so constituted as to make it the mouthpiece of all co-operators in this Province, and it is, therefore, absolutely necessary that all registered societies join the B. C. O. Society as its members and subscribe to its funds.

We strongly feel that every registered society should pay an annual subscription of Re. 1/- to the B. C. O. Society, and that the Audit Officers of the Co-operative Department be instructed to insist at the time of audit that the Society gets itself affiliated to the B. C. O. Society. The fact that a society is not affiliated to the B. C. O. Society may be treated as a defect which will have to be remedied at the time of audit. The Society is compelled to make the above suggestion as the Registrar's Cir. No. 10 of 1922 (General) requesting all societies to subscribe to the "Bhandar" has not had the desired effect. If all the societies do get affiliated to the B. C. O. Society, then the Organisation Society will be in a position to widen its sphere of work to the abiding benefit of its members.

It may be permissible to point out in this connection that the Provinces of Bombay, Madras, Bihar & Orissa and the Punjab are much ahead of Bengal in this respect and the co-operators of Bengal should make a joint effort to improve the Society if only for maintaining the good name of this Province. For want of adequate provision of funds the B. C. O. Society finds itself



much handicapped in making its honest endeavour to widen its sphere of activities, or carry out fully its aims and objects.

The Society therefore begs to approach the Registrar with the request to move the Government to

- (1) Place a Departmental officer at the disposal of the B. C. O. Society to work out the scheme of reconstitution.
- (2) To supplement the annual grant by at least Rs. 2,000/- to enable the Society to carry on propaganda work in the mofussil in a systematic way.



## APPENDIX A.

**Cash Account for the period from the 1st January,  
to 31st December, 1923.**

## RECEIPT :—

	Rs. As. P.	Rs. As. P.
1. Annual Subscriptions and donations from members	... ..	232 8 0
2. Government Grant	... ..	2,980 0 0
3. Subscription :—		
(a) for Journal	1,022 12 0	
(b) „ Bhandar	1,548 8 0	
	<hr/>	2,571 4 0
4. Cash Sales :—		
(a) Journal	15 3 0	
(b) Bhandar	10 11 0	
	<hr/>	25 14 0
5. Advertisement :—		
(a) in Journal	150 0 0	
(b) in Bhandar	85 0 0	
	<hr/>	235 0 0
6. Affiliation fee	... ..	218 0 0
7. Sale proceeds of pamphlets	... ..	40 2 0
8. Interest on deposits in		
Prov. Bank	... ..	160 1 0
9. Miscellaneous Receipts	... ..	80 12 0
		Total 6,543 9 0
		Current % 1181 13 0
Opening Balance	{	Fixed Dep : 2700 0 0
	{	In Hand 535 8 3
		Grand Total Rs. 10,960 14 3



## EXPENDITURE :—

	Rs. As. P.	Rs. As. P.
1. Printing Charges :—		
(a) for Journal	1,426 0 0	
(b) for Bhandar	1,701 9 0	
(c) for miscellaneous	591 15 0	
	<hr/>	3,719 8 0
2. Postage Paid :—		
(a) for Journal	129 15 6	
(b) for Bhandar	196 15 0	
(c) for miscellaneous	94 11 9	
	<hr/>	421 10 3
3. Establishment	...	1,456 4 0
4. Press cuttings	...	150 0 0
5. Library	...	21 2 0
6. Half-tone Blocks	...	77 0 0
7. Medals and watches	...	63 2 6
8. Travelling Expenditure	...	34 8 0
9. Miscellaneous expenditure	...	221 14 6
		<hr/>
	Total Rs.	6,165 1 3
	Closing Balance { Current %	2070 7 6
	{ Fixed Dep.	2700 0 0
	{ In Hand	25 5 6
	Grand Total	10,960 14 3

Checked the accounts for the year 1923  
and found correct.



(Sd.) B. K. DAS,  
Hony. Auditor,  
B. C. O. Society.



## APPENDIX B.

### EXTRACT OF THE REPORT OF THE ADDITIONAL NON-OFFICIAL AGENT.

“.....I go to a village and see the Headman, Panchayet or the President in their houses and collect the villagers as far as possible at these places. I hold a free and open discussion with them and try to infuse the principles of co-operation. The work is an up-hill one from the point of view that these villagers are quite ignorant and illiterate and have no idea of co-operation. They are so much hypnotized by the village moneylenders that it requires constant preaching from an officer-in-charge of the propaganda work to get them free from the clutches of these “Mahajans”. The villagers understand the principle of co-operation when some concrete examples are set before them, but they have not sufficient education to organise societies. They understand that they are being ruined by the “Mahajans”, but due to want of better system (co-operative societies) they have no escape. When the principle of co-operation is preached to them and the benefit that they will derive from it, is explained to them, they hail it with joy.

The societies that have been started since July last when I was appointed, are few in comparison with the enthusiasm of the people in villages. This is due to the fact that the Central Bank lends money most reluctantly to the Society with limited liability. But it is very difficult to start societies with unlimited liability. I am trying my best to start more societies in other villages where the people have expressed their willingness to become members of these societies.”



**Proceeding of the Sixth Annual General Meeting of the  
Bengal Co-operative Organisation Society held on  
the 4th May 1924 at 3 P. M. at 6 Dacres  
Lane, Calcutta.**

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*Present :—* Mr. M. Thorp, I. C. S. *President.*  
Khan Saheb A. K. Kabiruddin Ahmed.  
Mr. I. B. Sen.  
Mr. I. B. Dutt.  
Prof. P. Mukerjee.  
Sreejut B. K. Bose,  
Rai Indu Bhusan Bhaduri Bahadur.  
Mr. D. C. Ghose.  
Rai Manmatha Nath Bose Bahadur.  
Mr. S. K. Bose.  
Rai A. C. Banerjee Bahadur.  
Mr. N. C. Bose.  
Mr. S. K. Ganguli.  
Mr. A. K. Bose.  
Rai R. M. Lahiri Bahadur and others.

The minutes of the last meeting were confirmed.

The annual report and the audited statement of the accounts were adopted.

The election of the office-bearers was next taken up. The President explained that it was a non-official body and it would be preferable to have a non-official President as the reorganisation of the Bengal Co-operative Organisation Society would come up in which there might be a difference of opinion between the Co-operative Department and the Society. Mr.





Thorp was requested to stand for election. The General Meeting unanimously elected Mr. Thorp as President.

The following office-bearers were elected for the year 1924 :—

*President* :—Mr. M. Thorp I. C. S.

*Vice-Presidents* :—Prof. P. Mukerjee

Rai Indu Bhusan Bhadhuri Bahadur.

*Honorary Secretary*—Rai Bahadur Radhika Mohan Lahiri.

*Honorary Assistant Secretary*—Mr. A. K. Bose.

*Honorary Treasurer*—Babu Tulsi Das De.

*Honorary Auditor*—Babu Bata Krishna Das.

### **Executive Committee—**

Mr. I. B. Sen

Rai Lalit Kumar Mitra

Mr. I. B. Dutt

Sj. B. K. Bose

Mr. A. K. Bose

Mr. J. N. Ghose

Khan Sahib A. K. Kabiruddin Ahmed

Rai Sahib Tarak Nath Maitra

Rai Bahadur Dr. G. C. Chatterjee

Maulvi Mafijuddin Ahamad.

Mr. N. C. Bose

Rai P. N. Mukherjee Bahadur

Mr. S. K. Ganguli

Mr. S. N. Mitra

Rai Bahadur Abinash Chandra Banerjee

Mr. S. Sanyal


Mr. N. R. Sirkar

Mr. D. C. Ghose

Mr. S. K. Bose

Mr. Bireswar Lahiri.





The question of the reorganisation of the Bengal Co-operative Organisation Society was discussed. Mr S. N. Mitra questioned the utility of the society and pointed out that mere propaganda work was not necessary. The President said that the society should, and was always prepared to, do propaganda work provided the local co-operative institutions gave the society scope for carrying on such work. He instanced the good work done in this direction at district co-operative conferences e. g. Khulna. Prof. P. Mukerjee also laid stress on the need for propaganda and educative work and explained that that was the direct object of the society from its very start. It was resolved that the reorganisation question should be taken up by issuing reminders to Central Banks for their opinions on the scheme which had been drawn up by a Sub-Committee last year and circulated among them.

With a vote of thanks to the Chairman the meeting dispersed.



## CO-OPERATIVE VILLAGE GOVERNMENT.

Self-Government or Swaraj is the topic of the day. The idea has, in however crudest form, permeated into the lowest stratum of our people. Our benign Government in sympathy with the people of this country has been doing its level best to introduce such forms of Government as will eventually lead the people to the realisation of responsible Government. The Government of India Act is the manifestation of sincere wishes of our ruling race to help the people of this country to their goal. Our legislatures have been enlarged and popular representatives in the council are in the majority. Attempts are being made for Indianisation of higher branches of administration. The right of suffrage has been extended to an extent to enable a man of most average substance to nominate his representative in the legislatures of the country. In Bengal the village Local Self-Government Act has been introduced to train the people in the Art of Self-Government. All these are indeed very good and honest indications of integrity and bonafides of the existing Government. But how far these measures will bear fruits, it is for the future generations to tell. Since I got into Government service in 1905 I had had opportunities to mix with villagers almost all throughout and I can claim some knowledge about them and their economic condition. I don't know if there is any other people in the world who are economically worse off than the villagers of Bengal. The stupendous illiteracy of the village people is well known and it would be altogether useless to



prove it by facts and figures—and we all know what proportion of our people live in villages. As a matter of fact about 95 per cent of our population live in villages. No amount of effort, in my humble opinion, either from the Government or from the Congress or League or any other earthly body, will be of any avail in their attempt to lead the people to the proper channel for Swaraj unless and until these two outstanding impediments viz., Poverty and Illiteracy could be removed. I am no believer in outside help. God help those who help themselves is a very old addage. Unless and until the villagers put forth all their energies and resources to fight their common enemy—Poverty and Illiteracy—the idea of Self-Government will ever remain an unrealized dream. Of course some might say, “Why Government should not take up the fight on behalf of the poor villagers?”—the reply is—where is the money to come from for developing the industries of the country which is probably one of the solutions, if not the solution, of this economic problem? Introduction of free primary education means expenditure which Government cannot afford to bear without further taxation. Taxation means troubles and discontentment. We all remember how the village Local Self-Government Act despite its laudable object, was opposed tooth and nail both by press and platform probably merely for the taxation it involved.

I have been in the Co-operative Department for the last 18 months and the possibilities of the Co-operative movement appear to me immense. It strikes me as the only panacea for treatment of poverty, illiteracy and all other village ailments. I shall illustrate by facts and figures how a co-operative village society can be turned into an unit of Self-Government without holding out hands of supplication to the Government or



to any local bodies, Congress or League. The foundation of Swaraj—Self-Government must be laid in the village which is the backbone of the society. Swaraj must progress from below, upwards. It cannot possibly come down from above. When a village Co-operative Society will be able to administer its own affairs satisfactorily—then and then only will Swaraj be possible. I presume at present there is no better school for the training of our mass in democratic institutions than our village co-operative societies. In a village society we have got in miniature all the elements of our legislative council. Our General Meeting is equivalent to Legislative Council and Panchayet Committee represent Executive Council, if great things could be compared with small. Theoretical co-operation as taught in the press and platform will be of no avail unless practically taught in the village Co-operative Societies.

The following illustration will show how a village society can be a self-governing unit. An average village society consists of 20 members representing 20 families out of 50 families in an average village.

Indebtedness of the village people, I mean the cultivators generally is a patent fact. If the village society commences its work with a borrowed capital of Rs. 2,000/- for lending to its members, its reserve fund will accumulate to Rs. 900/- in ten years, with the usual margin of interest paid and received.

If *Musti* system is introduced each member can lay by 4 seers of rice a month, fetching at least 8 annas a month—6 rupees a year—60 rupees in ten years. 20 members thus can lay by 1200 rupees in a decade. Members can also be easily induced to save at least one anna per rupee of their expenditure; in every society where I have explained the method of saving one anna



per rupee, the members have greatly appreciated it and promised to follow my instructions cheerfully. If one anna per rupee is saved no one would feel the pinch of it. When a man goes out for marketting with one rupee if he leaves back one anna and takes only 15 annas for the purpose he would feel none the worse for the one anna he saved. No sane man would probably in the society object to this course being adopted when the whole scheme is properly represented to him and he is assured by the Departmental Officers that his saving would not be lost, but would rather be a great help in his dire need, and would also bring him a return in the shape of interest. In effecting a saving by the members in this way it will for some time require constant persuasion and exposition of the idea by the officers of this Department in a most unassuming and friendly spirit till a pretty decent amount is deposited by the members. This once done the members will be naturally inclined to swell their deposits. When a man has got 99 rupees he will naturally be anxious to find out 99 ways to make up hundred. I have no doubt about its success if we can properly tackle it. Monthly expenditure of an average economic family of 7 members is not less than 12 rupees in the minimum excluding rice and other crops—their own produce. Thus each family can save Rs. 9/- yearly. In a village co-operative society, as I have already said, we have generally got 20 members on average (each member representing a family) Thus  $9 \times 20 = 180$  rupees can be saved each year by a society.  $180 \times 10 = 1800$  in ten years. This 1800 plus 900 (R.F.) plus 1200 (from Musti) plus 1000 (from share capital in ten years—each member paying Rs. 5 each year) = 4900

Thus a society after 10 years can call Rs. 4900/- or 5000/- in round figure as its own capital. Now let us see how best the society can make use of this



money and apply the profit accruing from the fund to the best advantage of the village.

Ten years might be too much for ordinary people to keep patience through. In five years time the society can secure Rs. 2500/- as its own capital—on the above calculation.

After five years members are expected to reduce their debts to a certain extent. Rs. 1000/- may then be sufficient to meet their demands for seasonal loan. The balance of Rs. 1500/- may be utilised by them in starting a Supply and Sale branch of the society.

I have already said that each average village family spends at least Rs. 12/- a month in purchasing its necessities of life including clothes. Each average village consists of 50 families—20 families represented in the society and the other 30 out-side the society. If a Store is started in the village to supply the necessities of life at the market rate all the villagers would certainly buy their requirements from the village Store. If at least 40 families get their supply from the Store (each family spending  $12 \times 12$  yearly or 150 in round figure), they would buy Rs. 6000/- worth of things annually.

If the society can supply this 6000/- rupees worth of thing to the villagers, it can safely make a profit of 750/- rupees i. e. a profit of 2 annas per rupee. 1000/- rupees capital is quite adequate for running the Store business. The money will have to be turned over 6 times, once in two months. The society can make a further profit by selling its members' agricultural produce. It is a patent fact that needy members of the society cannot hold up their agricultural produce for any length of time in order to avail of the better price and better market. Crop market for any particular crop rises some time after the harvesting



of that crop is over ; but the needy cultivators have to sell them as soon as the crop is harvested. If the society can advance some mouey on the members depositing their saleable crop, and sell them when the price rises, both the society and the members can derive a decent profit out of the transaction. The society's profit on this head may safely be estimated at Rs. 125/- at the least. (Each member selling at least 100 rupees worth of crops yearly—20 members sell 2000 rupees worth of their produce. One anna profit per rupee will bring in Rs. 125/-). Thus the total profit of the society would come to Rs. 875/- excluding the profit on the credit branch. Adding Rs. 50/- profit from credit branch we have Rs. 92/5 in all.

#### Distribution of Profits.

Reserve Fund	@ 25 p.c.	231/4/0
Management cost ) (One man on Rs. 15/- One man on Rs. 5/-)	... ... ...	240/
House rent @ Rs. 5/- per month	... ..	60/-
Education—One local teacher at Rs. 15/- to give free primary education to members' sons.	... .. }	180/-
One Homœopathic Physician on Rs. 10/-	... ..	120/
Medicine	... ..	30/-
(For treatment of members' family free of cost)	... ..	
Village improvements—road, halats, pasture, clearing of jungles and filling up of unhealthy and insaniatory ditches.	... .. }	60/.

Total 921-4-0.



If a village society can do these things for itself the village will automatically become independent and self-contained unit of Self-Government. The village will not have to stretch out its hands for help to any outside body.

Litigation is one of the prominent factors in bringing wreck and ruin to the village people. When the true principles of Co-operation have been inculcated and the village life guided on that line, petty civil and criminal disputes can be very satisfactorily decided by the Panchayet of the society as is even now done in some of our good existing societies.

These improvements in a village society are only possible through co-operation. When the villagers have learnt to administer their own affairs it will not be difficult for them to claim and exercise higher political rights. If you cannot save them from starvation, if you cannot give them at least primary education, if you cannot save their lives from the ravages of malaria and other diseases, any cry for Swaraj or talk of higher politics would find no favour with the mass. The economic salvation of the mass and their education and sanitation can only be achieved through co-operation.

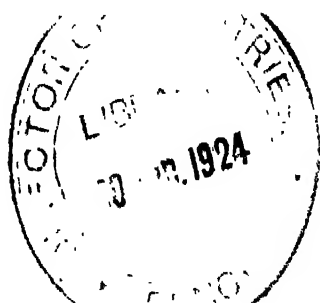
I have at the outset remarked that Government is unable to cope with the demands without further taxation. However, the Government is spending about 3½ lacs over its Co-operative Department; how inadequate this amount is for proper administration of the Department with a view to bring into being the desired result within a reasonable space of time is well known, I suppose, to all who have been working in and for the department. It behoves the leaders and



patriots of the country to co-operate with the Co-operative Department in their attempt to bring into existence an ideal village Government. Adjust your foundation first and then look up for higher super-structure.

ABDUL JALIL KHAN

*Assistant Registrar of Co operative Societies,  
Chittagong Division.*





# A GENERAL REVIEW OF THE PRESENT POSITION OF THE CO-OPERATIVE MOVEMENT IN THE CHANDPUR SUB-DIVISION :—

1. The co-operative movement in this Sub-division is about 12 years old. The following comparative table will show the progress which the movement has made in this Sub-division :

**Table No. 1.**

Year.	No. of societies.	No. of members.	Working Capital	Deposits.	Share capital.	Profit.	Reserve Fund
1918-19.	100	2360	202836	4014	1835	4881	7251
1919-20.	147	3573	334586	7685	6070	9513	12798
1920-21.	199	4386	427100	11563	14897	14029	21343
1921-22.	203	4649	462213	16752	26916	20012	34229
1922-23.	220	4727	533522	22677	38406	23035	54477

2. Actual figures for the current year (1923-24) can not be given as the year has not yet closed and it has not been possible for me to collect the requisite figures. However from the records just now available, I am in a position to say that figures under each of the above heads have greatly increased indicating that the movement is making onward progress. From July, 1923, up to the present time 30 new societies have been organised with a total membership of 519, of which the following may be specially mentioned :—

1. Municipal Methars' Co-operative Society.
2. R. M. S. Employees' Co-operative Society Ltd.



3. Steamer officials' Co-operative Society.

4. Chandpur Puran Bazar Merchants'

Co-operative Bank.

5. Chandpur Government Employees' Co-operative Society Ltd.

The demand for societies is yet great and I do really wistfully look forward to the day when every village in this Sub-division will have a co-operative society of its own.

3. Eight societies are now in liquidation. I am the liquidator of four societies and the local Circle Inspector of the remaining four. Liquidation work is progressing satisfactorily. Central Bank's dues of these societies have already been fully paid off. In the remaining two societies too, the chances are that full collection will be made by the ensuing collection season. The collected Reserve Fund of two of the societies under my charge would amount to enclose upon Rs. 800/-

4. Arbitration procedure is being taken recourse to with a view to bring the recalcitrant members of societies to their senses. From the results hitherto obtained, I am free to confess that the procedure is all right provided the work can be done more expeditiously. In my humble opinion the matter is not yet carried through as promptly as it should be. I seize this opportunity to invite the personal attention of the Registrar to ascertain whether improvement in this important branch of work is feasible.

5. Reserve Fund of the Central Bank up to 30th June last amounting to Rs 14,500-3-0 has been separately invested in the Bengal Provincial Co-operative Bank Ltd., Calcutta. No occasion has arisen during the current year to draw from this fund.

6. Though I strongly feel that the Reserve Fund



of the affiliated societies should be similarly invested, I confess, I have not hitherto met with the desired success.

7. The following comparative table will indicate the progress of the Central Bank. This should be considered along with the two other tables given in this report.

**Table No. 2.**

Year	Working capital.	Net profit	Reserve Fund	Dividend paid
1918-19.	207796	4445	3820	6½%
1919-20.	319475	7311	5800	10 „
1920-21.	390475	11395	8817	12 „
1921-22.	409491	11033	11650	8 „
1922-23.	448452	11256	14500	10 „
1923-24.	477635	Not yet ascertained. Not yet dec'ared.		
( up to 30-4-24 ).				

Out-door staff has been increased and expenditure under almost all the heads has increased with the increase of work. Hence though the working capital increased, there can not be increase of profit *pro-rata*

8. The following comparative table will show the nature and extent of the loan business of the Central Bank with its societies :—

**Table No. 3.**

Year.	Total loan due by societies.	Collection a/c Principal.	Collection a/c interest.	Overdue loan
1918-19.	198291	57993	12656	12867
1919-20.	312564	74776	19222	14068
1920-21.	382513	94435	29636	32162
1921-22.	390331	116302	39872	42775
1922-23.	422274	116784	41870	43700
1923-24 )				
up to )	468411	138192	39689	49047
30-4-24 )				



9. It can not be declared that the economic condition of the agriculturists, who constitute the very back-bone of the societies, is just what it should be. Many are the causes which are contributing to it. Chandpur is principally a jute area. Neither the out-turn of jute is satisfactory nor the market is promising. Kindly permit me to say once again that the jute-growers have no voice in the matter of its price. It is dictated by the buyers according to their sweet pleasure and the growers, being mostly poor men, have no other alternative than to submit to it most easily. And the net result is that not infrequently they do not even get the cost price. The various destructive agencies which are naturally at work and damage the crops constitute another factor. The different grades of middle men working in jute offices always suck the best juice leaving very little substance for the growers to lay their hold upon. Then owing to the credit system which is greatly in vogue in jute business they often find themselves involved in costly litigation for the recovery of their just demands. Then it appears that the productive powers of the soil has to some extent decreased. The agriculturists are, I strongly believe, more or less conservative. Though much is being said about the co-ordination of the two sister departments of co-operative and agriculture, nothing practical appears to have yet been done in that direction. I am primarily concerned with Chandpur Sub-division and let it be assumed that my knowledge refers to this area only. I think I do not transcend the limits of propriety, if I say that our area has not yet been touched by the benefit which may be said to emanate from the department of agriculture. I am a lay man and as such it would be presumptuous on my part to offer any criticism against the working system of the department



of agriculture. But from the little that I may, by reason of my connection with the co-operative movement, claim to know about it, I may safely say that the department, as at present constituted, can not extend its area of operation further. A demonstrator's area of activity covers an area of 5 miles in radius from the head quarters. What can he do and what does he ordinarily do? Does the department believe that only by distributing gratis or for consideration jute or other seeds, the real needs of the agriculturists can be satisfied? Has any survey been actually made to determine what these needs are and how they can be best satisfied? I am told that yield of crops of lands has decreased but have the causes been investigated and remedies found out? I do not like to dilate as these matters are very well known to all who think for the people.

These are the various difficulties which confront our poor cultivators but I am sorry to say no practical endeavours are being made to remove these difficulties. But I am quite certain that unless and until these problems are solved, the cultivators cannot expect to improve their present condition.

The cultivators being the very back-bone of the movement, the actual welfare of the latter is most intimately connected with that of the former. No amount of preachings will be of any use, until their condition is placed on a better footing and money comes to their hands easily.

In these circumstances this matter appears to me to be one of paramount importance and should receive consideration at the hands of those who are connected with the movement as well as by the Government.

10. PROPAGANDA WORK :—The movement has, I think, passed its infant stage. Societies have grown up everywhere in large number. My experience is—and I



am sorry to say that it could not be otherwise—that as societies grow old, vices and abuses creep in. So propagandist work is necessary not only for the organization of societies but also for their up-keep on good and sound lines. The constituent members are mostly illiterate and are quite forgetful in their nature: they cannot retain things in memory. But their ignorance is not to be looked upon as their crime. The co-operative movement is primarily intended to bring about the amelioration of their condition. So it will not do to quarrel with them because of their ignorance. Therefore it appears quite clear that by incessant propagandist work, they must not be allowed any opportunity to forget the main principles. This requires funds. Government would say that they have not got enough money. Central Bank's plea is—"Our funds are very limited." But this will not do. On this or similar other pleas we should not sit idle—this would be suicidal to say the least of it. What then is the remedy? This is a very pertinent question and an answer must have to be found. There can be no two opinions that the department of Agriculture and Industries is *the* nation-building department of Government. I need not say that its objects are noble and laudable. So whatever is spent for the amelioration of the economic condition of the agriculturists must be considered to be most profitably spent.

11. I have no doubt that people are appreciating the movement on the whole. There are unbelievers no doubt but I have no doubt that they cannot hurt the movement very much or arrest its progress. It is satisfactory that inspite of the adverse element the movement is every day drawing together a large number of men within its area of operation. As regards the Central Bank particularly, I have seen its



working long enough to justify the remark that people look upon it as a safe place for investment, nay—more as a pure fountain from which lasting good is every day streaming out to the people.

12. As to the money-lenders, it may safely be said that they as a class have been feeling the keenness of its influence and on taking a close survey of our present-day co-operative societies, one can reasonably exclaim—Oh the time is indeed come, when, people, who had been in love with the money-lenders for generations, are at last being found to fight shy of them. Their rate of interest has much decreased and complaints are being heard from our society-people that co-operative rate is very high and that money can be locally borrowed at a lesser rate of interest. In my opinion it is time to consider whether or not it is possible to reduce our rate of interest to some extent at least with a view to give some solace to our borrowing members as well as others who may be prospective members.

13. The following may be noticed as the effect of the co-operative movement :—

(i) Friendly feelings have sprung up amongst the members.

(ii) They usually make an honest endeavour to respect the *kists*—a thing which was almost unknown to them before the advent of the movement.

(iii) The introduction of the *mustirice* system has been a great boon to the members in that it has afforded means of easy savings to poor people.

(iv) Share-system in societies is also more or less a mode of compulsory savings.

N.B.—I have taken careful account of the figures of the last year from table No. I given above. It appears that out of the total working capital of



Rs 5,33,522/, Rs. 1,38,594/ belong to the members themselves. Thus it is found as a fact that about 26% of the entire capital represents the people's own money. Though no society in my area can now claim financial independence of the Central Bank, still I am, from the progressive statements given above, inclined to believe that that day is not far distant when it may be possible for a pretty large number of our societies to find themselves financially independent of the Central Bank.

(v) Litigation in societies has largely diminished.

(vi) In a number of societies out-side debts have almost vanished.

(vii) Even hardened money-lenders have begun to deposit money in the Central bank. Local deposits have largely increased. At times we feel bound to refuse deposits. Our total deposits on 30th April last were Rs 405460/. Mr. G. C. Bose of Calcutta had a deposit of Rs 18,810-13-6 in our Bank. With his consent we repaid the deposit during the year before maturity. We paid similar other deposits this year before maturity.

14. From what I have stated above I am not to be understood to mean that no faults are to be found in the societies here. Far from that—I had occasion to investigate them rather scrutinisingly and I may summarise them in a nutshell :—

(i) Some of the office-bearers are unpardonably dishonest—so much so that by their dishonest and unduly selfish methods they often contribute to the ruin of the society. This dishonesty generally springs from undue selfishness due to want, avarice and other causes. The result is that *Benami* loans make their appearance on the scene which eventually bring about the annihilation of the society. Quite allied to this is



the tendency on the part of the office-bearers to appropriate big and sometimes disproportionate loans for themselves as well as their relations.

In my humble opinion these are the most dangerous abuses in a society. I do not say that they exist in all or many of our societies. But it cannot be gainsaid that more or less they do exist. If that is so, it must be admitted that it is a bad symptom and as such requires speedy eradication so that the contagion may not spread to the detriment of the movement.

This leads me to think that it now devolves upon us to consider how our societies can be most successfully freed of these and similar abuses. Frailties in human nature must there be. Dealing of the human nature (of the lowest stratum), as we do, we should not expect that there would be no black sheep in our camp. So the potentialities for these abuses must there be. Our aim and endeavour now should therefore be to be on our guard that these potentialities may not find any opportunity of developing into actualities. Audit and supervision of our societies must be very thorough and audit must be locally conducted. It may be necessary for the audit officer to stay in the village for 2 to 3 days so as to be able to meet the members and talk with them freely. The members of societies, it may be conceded, are mostly very simple men and they cannot always stand the test of cross examination. In this way it may be possible to ascertain the real state of things. During day time they are mostly busy with their own work: it will be convenient to meet them at night. And all this must be done in a friendly spirit.

As for the Central Bank staff, I have been insisting upon them that these very important matters must be looked into by them with utmost care and



caution. Quality rather than quantity of work should be the criterion.

15. **THE MATLAB CENTRAL BANK** :—I am not yet in a position to say that the relations between these two Central Banks have yet been adjusted.

16. **THE BENGAL PROVINCIAL CO-OPERATIVE BANK LTD, CALCUTTA** :—The relation between this Bank and our Central Bank have always been cordial. During the collection season this year we were able to deposit Rs 80,000/—in the Provincial Bank. Recently we had to borrow Rs 30,000/—from the said Bank for meeting certain urgent demands.

17. **BUILDING QUESTION** :—The office is at present located at the house of the Honorary Secretary. It is in contemplation of the Bank to erect a suitable office building as soon as practicable. In accordance with the requisition of the Land Acquisition Officer, Comilla, Rs 11075-1-3 was deposited into the local sub-treasury on the 5th September, 1923, to meet the cost of the acquisition of the site selected for the location of the office building. Meeting this expenditure we have now Rs 3,653-7-9 only in the Building Fund. The notification under Section 4 of the Land Acquisition Act of 1924 was published in the last issue of the Calcutta Gazette. So it may now be expected that it will not take long to complete the acquisition.

18. **CONCLUSION** :—I should like to say that the movement is doing immense good to the people and the country and I am confident that if it can be pushed on, on sound lines, the cultivators and consequently the country must prosper. But one may reasonably ask that though the movement had been vigorously worked for more than a decade, yet how is it that it has not thrived to the desired extent. The



reasons to my mind are obvious and they may be summarised as follows :--

(i) Illiteracy of the members.

(ii) Dishonesty of office-bearers resulting in the abuses noted above.

Office-bearers are generally somewhat literate and to tell the plain truth they represent the intelligentsia of the village. It is found as a fact that they often take undue advantage of the illiteracy of the other members, who are, generally speaking, mentally deficient and morally weak. In organising societies we always try our utmost to exclude these so-called village magnates but as our villages are constituted at present, experience suggests that they cannot be excluded always : if they are excluded, organisation becomes often impossible, even if one is organised without them, they would seriously take it to their heart and would ere long create troubles and party factions of which the net result would be, the destruction of the society. On the other hand if they are taken in, for sometime at least they would keep up appearance and carry on a good show, but sooner or later their innate nature would come out in all its ugliness and I have no hesitation to aver that this stage in a society does really mark the beginning of the end. It should be remembered in this connection that these are only exceptional cases but the trouble is that those exceptional cases are there, and they spread like contagious diseases and have the tendency to infect the whole area. To illustrate, in my area I have got three such cases, one in P. S. Hajiganj, one in P. S. Faridganj and another in P. S. Chandpur. In the case of the first I am trying to improve its condition but I am not quite



sanguine of my success. For years it was an "A" class society and now it is in class "C" : its Secretary is a Moulvi and a Hafez and to boot he is the president of the local Union Board and also a Director of the Central Bank elected by the rural societies. Investigation shows that his selfish methods are primarily responsible for the present condition of the society. In the other two societies the position of the principal office-bearers was almost similar. To save the area I have been compelled to recommend their liquidation and their case is now pending before the Registrar.

The only remedy which presents itself to me is that by constantly coming in contact with the office-bearers and by instilling into their mind the preachings of co-operation, a change in their mentality would have to be brought about and a very close supervision should be maintained over the working of the societies as soon as they are organised so that the bad tendency may not grow up or if it shows symptoms of growth they may be nipped in the bud. The whole thing is a question of time and will have to be worked out on practical lines from the very beginning. Mere theorising will be of no avail. This reminds me of the Bengal Co-operative Organisation Society which is no doubt doing some work but the practical workers in the field should tell me to what extent the societies themselves are being benefited by its work.

I do not mean any offence to any one. I have been most intimately connected with the movement for the past 12 years and have within my limited capacity worked with the people and for their good. I love the co-operative movement and the societies



which are its offspring from the very core of my heart and am very anxious to see them thrive and reach the desired goal. If in my eager solicitude I have stated unpleasant truths I can only say that I have done this bonafide and from best of motives.

NALININATH BANERJEE,

*Hon. Secretary.*

*Central Bank, Chandpur.*



## REPORT OF THE CENTRAL CO-OPERATIVE ANTI-MALARIA SOCIETY.

*Read by Rai Bahadur Dr. G. C. Chatterjee, at the Fourth Annual  
General Meeting held on the 23rd. February 1924 at the  
Alfred Theatre, Calcutta, under the Presidency  
of Dr. Rabindranath Tagore.*

Our little movement has received a sudden expansion. From being confined to a few villages, it is spreading all over the country. The measure of its expansion cannot, however, any more be measured by the number of villages coming to our point of view. The opposition from all sides which we have experienced before, is melting away. This very rapidity of our expansion is now cause of our anxiety. We have got used to our little ways. We are not trained for big organizations. Like a mountain streamlet which, winding its long narrow course through rocky surroundings, suddenly expands on coming out into the open country, and thereby loses itself in stagnant marshes overgrown with weeds, our little movement has got a similar chance of losing itself by this expansion, if we do not keep careful watch over its course, keeping its fundamental qualities intact, weeding out all excrescences.

As a large number of people do not know what are the essential qualities which are leading us to success, it is necessary to state these points clearly even at the risk of charge of re-iteration. First of all, it is a Co-Operative Society. It has been our misfor-



tune to find during the course of our propaganda work, that a large number of our educated countrymen do not know what is meant by co-operation, though we have not got the same difficulty, with village country men. For the benefit of the former it is necessary to dwell on the point a little. It is based on the most democratic idea one can think of, each member of a society enjoys the same benefit and takes on his shoulders the same responsibility as any other member, however high the position of the latter may be. Each member works for others and benefit of the whole accrues to each member. Each rural society is an independent unit and is not a branch of the Central Society. It, obeys the bye-laws adopted by it. The relation of a rural society to the central one is exactly on the same basis as that of a credit Society to the Central Bank, with this difference that our society is meant for whole of Bengal and not for a single district or a limited area, as is the case with the Central Banks of Credit Department. Now, those who are conversant with the regulations of the Co-operative Credit Society, know that rural societies are not branches of the Central Bank, on the other hand, rural societies run the Central Bank through their representatives. Our Central Society acts as agents, helpers and financiers of the rural societies. It does not act as an over-lord issuing orders to the rural societies, but acts as a disinterested friend in the true sense of the term to the rural society. The word Co-operation applied to Co-operative societies is not antithesis of non-co-operation, a word current in the country, and the meaning of which is understood by everybody. The members who choose to become so, do out of their own free will. The societies can co-operate with each other,



or with any public or local body for attaining their object. Any society can be dissolved by the free will of its members any time if they desire it so.

The next point is that our society is called Anti-Malaria and Public Health Society. This means our societies are created for a definite purpose. As an industrial Co-operative society is meant for promoting industrial concern among its members, so our society is meant for special purpose. Its funds cannot be utilized in any other way.

The next point that comes up for consideration is whether the resources of a rural Anti-Malaria Society, helped by the Central Society, suffices to solve the problem of malaria of the particular village in which it is situated or is it only a make-believe thing. The best reply to this query is to cite examples of those villages who have adopted our method of work and have got the desired result. The number of these villages where success has been achieved is increasing every year. These are serving as object lessons and are open to scrutiny of any who chooses to do so. This point has been dealt with more thoroughly in the body of the report. There is no more necessity for us to give instances of Ismalia, Port Sweetenham or Panama Canal Zone, as places where Anti-Malaria Co-Operation has been successfully carried out, when instances near at home are available for the purpose. It is necessary to describe the methods adopted by us. Though it has been given in our previous reports, it is necessary to do so here, as every year we are improving on the older methods, the main principle remaining un-altered, the procedure has to be changed, being guided by experience which we are gaining every year.



The is the procedure : -Every society draws out a rough plan of the village in which are put down all the stagnant mosquito-breeding collections of water. The society induces by offering prizes to the young boys of the villages to become volunteers or village scouts. These, after the sunset of the rainy season, systematically kerosinize the stagnant pools given to their respective charges. They also keep up the fever record of the villages and distribute quinine free to the people. During the dry season the society's available funds are utilized for filling up or draining out all depressions. We have found out by experience that the society's available funds do not suffice to complete this work within a single year ; so long this is not done, kerosinization will have to be resorted to, and will certainly stop the seasonal epidemic, if it be done systematically. This year this method has been stopped by all the societies which have been formed previous to the last year's rainy season. No one has cause for complaint on the score of expense.

The only difficulty which we have to contend against is that we could not get all the inhabitants of a particular village in which it is situated to co-operate in this work. Party spirit, apathy and pessimism have had their full play in our malaria-stricken villages and are responsible for this state of affairs. As it is extremely desirable to get this whole-hearted co-operation and to produce confidence in the minds of the villagers, the plan started three years ago of keeping records of all the fever cases occurring within the village, has been kept up so as to show effect of efforts made by the society. Every year, about the end of November, reports of all the societies regarding the prevalence of fever are collected together and circulated among the societies.



Besides, to keep up the spirit amongst the members of all the societies, every society is encouraged to hold a general meeting to review the work of the society ; where the volunteers are given prizes, a portion of the expenses of the meeting is borne by the Central Society. These meetings are well advertised and the inhabitants of the surrounding villages are invited to attend it, so that these meetings serve the purpose of propaganda work.

Up to now, we have depended for the success of our Anti-malaria work on treatment of all the stagnant mosquito-breeding pools within the village site. The big sanitary defects as large marshy *bils* or beds of drying rivers, burrow pits of railway lines, situated sufficiently near the village site as to cause malaria have been left out of consideration. This has been done for obvious reason ; most of these are properties of parties who are not inhabitants of the villages or as a rule are zaminders or big parties who do not come within the purview of co-operation. But we have not the least doubt that co-operative principles which have stood by us so long and has extricated us from many a pitfall, will not fail us in solving this knotty problem if we succeed in applying it in the proper way

Last year Gholia Society was encouraged to take up the problem of re-excavation of a big tank situated within their village. This they took up with a great deal of circumspection and hesitation on account of the chances of getting involved in financial loss or getting embroiled in law suit. Fortunately for our movement it, proved a complete success in every way. The tank has been excavated with the money raised by issue of shares amongst the members of the local society and by loans from the Central Society. The cost was about Rs. 1,200/-, major portion of the loan



has been paid off by the sale of surplus fish caught from the tank. Besides, all the excavations within the village have been filled up with earth excavated from the tank; moreover, there is every chance for the shareholders to get a decent dividend every year from the sale of the fish. This happy state of affairs has only been possible, as the party showed commendable unity of purpose and did not fall out among themselves over the division of profit accruing to the society.

Working on the same principle of co-operation, a number of societies around a *bil* can easily combine and issue shares and take loan from the Central Bank. The provisions of the Bengal Agricultural and Sanitary Improvement Act will enable them to move the Government to take up the work of excavation or improvement of the insanitary *bil* or bed of dead rivers. If the societies agree to pay the expenses of the undertaking, there is a provision in the Act by which the property will be handed over to them; if this is done, the society ~~concerned~~ can be expected to pay off the loans and issue dividend from the sale of the fish or from lease of the property to some party. Though this will appear to some people as too ambitious an undertaking for a society to tackle, the amount of responsible work which the Co-operative Irrigation Society of Bankura, composed mainly of illiterate cultivators, has taken on its shoulders, ought to act as an eye-opener to our countrymen. At this juncture the question naturally arises, whether it is possible for a Co-operative Anti-malarial Society to take up all the large anti-malarial projects and make them all profitable and dividend-earning. The reply is decidedly - no. Large sanitary projects as excavation of long and



large rivers running through several districts are certainly beyond the resources of these societies; besides, they cannot be made remunerative, so they must be undertaken by the Government or local bodies. Now, if for some reason or other, this is not done, is it not likely that the efforts of the Anti-malaria Societies will be nullified to a great extent, if these major projects are not carried out? Ought not those who have taken up the question of solving the problem of malaria in this country, viz. the members of our society, spend a greater portion of their energy and time for propaganda work directed against the Government and local bodies for not doing their elementary duty or whether they should be satisfied only with organising these village societies? As during propaganda work from village to village, we are assailed with these and similar other questions, it is necessary that proper reply should be given here. Moreover, it is necessary to do so on another ground viz. as one of the main functions of our society is to guide public opinion in this matter, as the opinion of the majority of our countrymen on the problem of malaria is as ill-formed as possible and do not lead to any constructive work. Now granting for argument's sake that the major Anti-malaria work ought to be carried out by the Government, there cannot be any question that these are necessarily matters of large engineering projects, so, necessity for carrying them out and the manner of carrying them out will devolve on the engineers. For a medical man, however conversant he may be with sanitary matters, to criticise them is going beyond his powers. Besides, question of funds available for the purpose and the plea likely to be taken up by the apologists for the Government that to excavate a dying river and to



put them on their pristine condition is going against nature, has got some substratum of truth. So to forward a clear cut policy is not possible here and will lead us to endless controversy. Besides, there is every likelihood that our deduction will go wrong on account of all the data being not available. All these reasons have influenced us in following the dictum of the sage Confucius, "I know what I know, I do not know what I know not." i.e., let us adopt a policy about which there is no controversy and do not get us embroiled in discussion on subjects which we do not know. This does not mean that we have not got anything to complain against the malaria policy of the Government. Now, in the course of review of our work, in the Madras Co-operative Journal, the writer remarks that in a country which is so severely affected with malaria as to cripple the economic life of the people there ought to be complete co-operation between those departments of the Government which direct or carry out works entailing disturbance of the surface of the soil, as irrigation, railway, and other departments, with the Health Department. How this is done in actual practice, will be apparent from the following incident, of which I have got personal knowledge. During the Ministry of Public Health under Sir Surendra Nath Banerjee, the work of excavation of Nowie Suthi canal was begun. This was styled as Nowie Suthi Anti-malaria Scheme. The Hon'ble Minister at the very beginning of his career, wanting to do something tangible for the problem of malaria, believing sincerely that on the excavation of the canal depended the solution of the malaria problem of the tract of country through which it runs, wanted to expedite the work, and gave instruction to that effect to the Health Department. A cold douche was applied over



his enthusiasm when he learnt from the head of the Department that the scheme was not only not under the supervision or charge of that officer, but it was not under any department belonging to the Minister-ship of public Health and Local Self-Government. Now, this hopeless condition of affairs has lead to the deplorable condition of the Nowic Suthi Scheme on which the Government has spent lacs and lacs of Rupees. Besides, it being under the Reserved Irrigation Department, there is want of co-operation between this department and the transferred department of public health. This is one of the fruit of diarchy. The Sanitary Department has got nothing to do with it; the Irrigation Department, under whom the canal has been excavated, does not know any thing about sanitation, their instruction is to improve the Bhurti Bill for agriculture. The net result of all this confusion is by the excavation of the canal the surrounding villages on both sides have been benefitted in the opposite way. Beds of the excavated canal are full of water hyacinth, drains of the villages are blocked. To top all, the fishermen have made bunds across the canal with impunity. It seems as if it is no man's property. The malaria indices of the villages on either side have decidedly gone up. We are emphatically of opinion that this system ought to be knocked on the head, and in its place real anti-malaria policy depended on co-operation of all the Departments with the Sanitary Department is wanted if Bengal wants really to get rid of malaria. Now, here it is necessary for me to give a word of warning to the workers and members of our Society. We should do our best not to get embroiled in any controversy, as it takes up a large amount of our energy which we would have easily spent on removing defects which lie in our power to remove. Ours



is a Co-operative Society. Hatred and enmity are not our guiding principles. All opposition will disappear before our spirit of co-operation. Our main idea is to create a healthy public opinion by doing constructive work, and there is plenty of work to be done by us. We have no right to criticise adversely others so long as our work is unfinished. An example will illustrate the point at issue. A public man has spent 30 years of his most active life in advocating excavation of a dead river, on which he believed the malaria problem of his district hinged. The scheme of excavation of the river was at last sanctioned after incessant fight which he carried on for over 30 years. But to his disappointment and chagrin the work could not be carried out for want of money, and the excavation has been indefinitely postponed. Had this gentleman spent a little of his super-abundant energy which he spent in fighting with the Government, in teaching the inhabitants of the villages of the district to remove the unsanitary conditions within the village sites to which malaria is to be attributed, to a far greater extent than to anything else, he would have seen the fruits of his labour in solution of the problem of malaria of his district, and this would have given solace to his old age, but which has been embittered by the failure of his attempt in influencing the authorities. So we return to our congenial subject of co-operation. Of the numerous benefits which have accrued to us by adopting co-operative principle, the highest is one by which we have got within our fold a large number of the medical men of Bengal. This has been a great asset to us, as all of them having got first-hand knowledge of malaria parasites and method of treatment of K. A. have acted as the greatest propagandists of our movement. Though an able writer in the Madras Co-



operative Journal, reviewing our work, referred to these young medical men as true missionaries showing commendable self-sacrifice, we know that co-operative spirit has influenced them to join our movement more than anything else. Our Society is a great educational centre for these young men : extensive amount of materials are available for their study. The result is that these centres serve the purpose of post-graduate training. These medical men, after attending them for a couple of months, become better clinicians than their colleagues, who are serving in Government dispensaries. As from these volunteers are selected medical officers of the rural anti-malaria societies, the training which they receive at the centres make them successful popular doctors and so they contribute to the development of the societies and this arrangement serves also to solve the bread problem of the doctors. This kind of co-operation between the medical men and the societies has been productive of the highest amount of good, and has contributed to the rapid spread of our movement. As conduct of most of these volunteers is beyond praise, yet it is necessary for me to cite some instances here to show the way our movement has spread through the instrumentality of these self-less devoted workers. Dr. Nanilal Ghosh, M.B., of Shalkia having come to know of extensive amount of malaria and Kala Azar at Kona and its neighbourhood, started a centre of injection there on his own account. Twice every week he travelled for the purpose, a distance and the expenses he bore from his own pocket. Soon a large number of K. A. cases flocked to the centre. He started preaching to the patients, collected there the gospel of self-help and taking to preventive methods by organising the people of the villages. The result was that five successful anti-malaria societies have been started in the locality:



Another, Mr. Wahed, a medical student having got permission of our Society, started a centre in his native village at Basirhat. Though it meant a loss of full two days study each week he kept on attending the centre which became successful. Through this centre other subsidiary centres have been started, each of these centres having been starting points of several societies.

Lastly Dr. J. Banerjee M. B. though a practitioner of Calcutta, started a K. A. centre at Gobardanga. This means a travel by rail 40 miles twice a week. Though opposition to the formation of an anti-malaria society was engineered by some designing influential inhabitants of the locality, he was successful in his efforts in creating an active society with several members. Through these centres four other centres and five societies have been made.

Another solid gain of our co-operative movement of this year for which we congratulate ourselves is the support we have got through the co-operation of our world-poet Dr. Rabindra Nath Tagore and his organisation, the Vishwa Bharati. This happy event happened through a singular accident namely, this organisation which we know only as an international high-culture movement, has taken up, in addition to these high objects, a humanitarian work, namely, improvement of the villages in the Birbhum District. The workers in the village have found out that the factor of epidemic diseases is a very important one, which must be tackled before we can think of doing anything substantial in our Bengal villages, and they have found out besides that it is not a very easy task. Similarity of idea and similarity of difficulties have brought us together and our movement has received a distinct impetus from their co-operation.



In this connection, it is necessary for me to mention the help which our movement has received from two highly placed Englishmen. As this help has been rendered in a true Christian spirit "Right hand knoweth not what left hand giveth", it is not desirable for me to give out their names. Besides, expressions of thankfulness from such an uninfluential organisation as ours will not help their worldly prospects in the least. If however, expression of gratitude and prayer for their welfare, even if not expressed vocally, has got any influence on the great Inscrutable Architect of this world in wringing out from His hand His choicest blessing on these two benefactors of our country, that silent prayer will not fail to come up, not from one, not from hundreds, not from thousands, but from tens of thousands of souls who have been saved from the clutches of this terrible scourge of our country. But the main reason which has influenced them in not publicly associating with our movement is the scrupulous regard for the welfare of our society. They are afraid lest their official touch would blanch this tender creeper of ours. That this fear is not an idle one will be evident when one thinks of the present day political condition of our country. We, on our side also do not like to be officialised, for it will be our death knell. We, on the other hand, also want to avoid our tender plant being injured by the whirlwind of political turmoil or by the arid blast of communal jealousy. We do not mean that we want to avoid our political leaders. We want their help and guidance very badly and we are sincerely sorry we have not been successful in this direction up to now. But what we want is to prevent exploitation of our movement by the officials or by the political leaders. The flowers which this tender creeper bears is



too insignificant to be of any use in adorning the official's dinner table or bedecking the triumphant arches of the political leaders. Let this plant bearing flowers flourish over and mellow the otherwise dreary home of the poor peasants whose whole life is a long drawn agony alternating between toil in the meadows where cruel nature very often deprives him of the fruits of his labour and tramp covering 10 to 20 miles to the nearest charitable dispensary where he resorts for the cure of his life-long companion, his enlarged spleen. Here again by irony of fate he is deprived of the chief panacea of his complaint, namely the Salts of Quinine, by the unfortunate system which prevails in this country, by which all the money invested in the dispensary is used up in the establishment of the distributary system absorbing all the nutriment, none filtering down to the people for whom it is intended.

Lastly, before I finish my rather long report, I cannot conclude my paper without referring to the separatist tendency, or working in an isolated way amongst some of the organisations following in our wake and taking cue from us for their work. We find this tendency in some of the already existing rural organisations which can be found in most of the villages of Bengal. Though their main aim is general improvement of the villages in all its sides, yet they are functioning mainly as public Health Society, which work the promoters are able to carry on very perfunctorily on account of want of funds and want of proper guidance. Our offer of help without laying down any condition and without disturbing their autonomy was gladly accepted in most of the cases. These Societies developed in no time and are able to take on their shoulders responsibilities which they could not dream of doing before. In this way Naikulki Brahmanpara Society has been



able to organise with their own resources a co-operative dispensary with a capital of Rs 6000/- and are actively maturing a scheme for an irrigation society by making a sluice on the Damodar River. This will cost about Rs 12000/- and will be of immense economic value to them. Similarly the insignificant village of Napara in Barasat sub-division has created a healthy public health society and is maturing a scheme for sanitary and agricultural improvement of the Sunthi River, which is a standing nuisance to the whole of the sub-division. With our help, Kadihaty Society composed of a few enthusiastic youngsters has developed and has succeeded in their herculean task of cleansing the whole village of jungles—a work which has drawn unstinted praise from all who have seen the sad plight of the village formerly. They are busy formulating a scheme for improving the bed of the Nowie River, which runs through their village. If all the villages situated on the banks of these two rivers (Nowie and Sunthi) can improve the section of the canals comprised within the village the problems of the improvements of the dying or dead rivers which are tasking the best brains of the Government engineers, will come within the domain of practical politics.

But unfortunately in some cases some of the organisations have preferred to carry on the work in an isolated way. They ignore the saying that unity is strength. They defend their attitude on the plausible argument, viz, grouping together all organisations under one head takes away all individualism and pride in one's work, which is a great incentive to progress. Our reply to this argument is that ours is a co-operative organisation in which every unit is an independent one, units group together for their mutual benefit and do not come subordinate to any one. As thor-



ough grasping of the point by our countrymen is of great importance for further progress of our movement, I finish my report by quotations, proving my points from three celebrated men of the world.

"Organic evolution is primarily the formation of an aggregate"—Herbert Spencer.

"As soon as we study animals—not in laboratories and musuem—but in the forest and the prarie, in the steppes and the mountains—we at once perceive that though there is an immense amount of warfare and extermination going on amidst various classes of animals, there is at the same time as much or perhaps more of mutual support, mutual aid and mutual defence belonging to the same species, or at least to the same society. Society is as much a love of a nature as mutual struggle. Who are the fittest? Those who are continually at war with each other, or those animals which acquire habits of mutual aid, are undoubtedly the fittest. They have more chances to survive, and they attain among their respective classes the largest development of the intelligence and bodily organisation"—Prince Kropotkin.

"Dost Thou wish that all should live for Thee that all should love Thee better than themselves? There is only one condition in which Thy desire can be fulfilled, namely, all creatures should live for the good of others, and should love others better than themselves"—Tolstoy.



## **ALL ABOUT GHOLA**

### **Reminiscences of a Retired Government servant, Inhabitant of Ghola.**

The village Ghola, which is now so much before the public in connection with its anti-malaria work, must not be confused with Baraset-Ghola, which is more widely known on account of its having been the seat of a noted Zemindari katchery.

It is properly speaking a comparatively modern village being situated in the Barrackpur Sub-Division of 24 Parganas and lying on the east of the E. B. Railway line, 1 mile from the Agarpara Station and  $1\frac{1}{2}$  miles from Sodepur, and from the latter station the village is approachable by Ghari.

I saw at Ghola in the sixties and seventies men of big statures standing full six feet high both among its Hindu and Mahomedan residents, men with robust constitution and health, but the race of stalwarts quickly disappeared from the stage under the devastating influence of malaria to be succeeded by progenies of decidedly dwindling growth. Indeed, the statures of the Bengalees as a race have suffered woefully under the dire malaria. In pre-malaria days I saw voracious eaters who after a sumptuous meal could consume sweets, rice pudding and curds from 2 to 5 seers weight each, facts which are discredited in these days of diseased liver and impaired appetite.

With malaria taking possession of me I ran up-country, and there and in northern Bengal I spent



a good part of my life, but on return from there in the beginning of the year 1887 I found the village in the firm grasp of malaria—its western part was then in course of being depopulated involving the extinction of a number of Brahmin families and also people of other castes. In the main or eastern half I found to my utter dismay about 20 Brahmin families entirely wiped out and havoc among the other castes and Mahomedans as great. I had to live on here for some time, and the result was I began to lose by death my dear and near ones and my own life was even at stake, as from the effect of malaria I got jaundice with slow fever and would have succumbed to death had not I removed myself to Calcutta for treatment. It so happened that at times more than half the members of my family had to take to bed with fever and ague, and the house looked like a veritable hospital.

This process of coming home and going back to Calcutta for change and treatment continued for some time till 1912 when I shifted again to Calcutta and continued to live there uninterruptedly up to the end of March 1923. This narrative of personal events may be considered by some as out of place, but it is put in here just to give an idea how ominously and vigorously the village was taken possession of by the fell malaria, making the place quite unfit for human habitation. Of course there were people who could not leave the place, but they had to suffer more than I did, and in some cases entire families were devoured by the dread monster.

The question naturally arises why should I again come to live at Gholā with such bitter experience previously gained of the place,—because, from reports I found that health conditions had changed for good



of late, and this change, I am glad to own, has been brought about by the working of the local anti-malaria society in combating Malaria. I was also inspired by the thought that my coming back to the village at this juncture might go to contribute, however little, to the encouragement of the young men working for this noble cause.

I have been residing here continuously since April 1923, and I record with pleasure that I have not had an attack of malarial fever since then, and the members of my family are also comparatively free of malaria—an unique event of my life at this place. I can also see now here boys and small children in enjoyment of health, playing about, which were rare sights in former days. The conviction therefore forces itself upon me that malaria is a preventible disease. The village is found to be clean, being carefully looked after by the society, volunteers destroying mosquitoes and clearing all noxious growths and cesspools. This process has made the place comparatively immune, and when such results could be achieved with barely two years working it behoves all to work on with patience and energy until malaria is completely eradicated from the place.

In the wake of malaria has followed Kala-azar, hitherto a denizen of the jungles of Assam, but its ravages have increased with remarkable rapidity in this Province. Scarcely there is now a village in this side of the 24 Parganas' District which has not been affected by this dread disease, and Ghola has not also escaped from its ravages. I myself have been a sufferer in no small degree—my eldest son and a son-in-law of mine fell victims to this malady. The son-in-law was a son of an experienced L. M. S. Doctor, and he spared nothing to



have his son properly treated, but in those days (about 16 years now) eminent Doctors failed to diagnose the case, and lately a whole family at Gholā—near relations of mine died of Kala-azar and also several other young men of the village. The Central society's Doctors are now successfully grappling with Kala-azar cases in this locality. Lives of several boys about eight in number at Gholā, have recently been saved from the jaws of Kala-azar under the skilful treatment of Doctor Rai Gopal Chandra Chatterjee Bahadur, who treated the cases free of charge.

The central malaria society therefore has been doing incalculable service to humanity by founding Branch Societies all over the country and deputing medical graduates to treat villagers on nominal fees only, the Central Society paying the Doctors some fixed monthly allowances. This benefit, it is noted can only be enjoyed by those who have combined to form a Branch Society in their midst.

Gholā, it must be admitted, is much indebted to the Central anti-Malaria Society in various ways. Under the auspices of the society a spacious tank has been re-excavated as a drinking water Reserve. This tank is called the "Kharua Tank" situated in the centre of the village. The Tank was originally sunk in olden days by the Chatterjees when they first came to settle here after clearing Khar grass, whence the Tank derived its name "Kharua". It was still the joint property of the Chatterjees and it may be said to their credit that they have made a free gift of the same to the society.

The Branch society with its volunteer staff of workers is keeping the village clean, but there is one source of danger to health which can not be overlooked. It is, that a silted up khal is here which was the



natural drainage of the village, through which it passed, carrying surplus rain water to the salt water lake. But this khal now fails to perform its part as its silted up bed has been brought under cultivation in some places while in others tanks have been excavated leaving only a narrow and insufficient water-way for drainage purposes. The result is that the village remains water-logged for a greater part of the year. In this connection it is to be noted that it is of paramount importance to make the drain effective, at least a serviceable opening from 12 to 15 feet wide for free passage of rain water is badly needed for the well-being of not only this village but of a number of other villages through which the khal used to flow, and the Government in the Health Department may do a real Malaria prevention work by taking this up in hand which may cost comparatively a small outlay. I need hardly say that by so doing the Government will lay the people of the locality under a deep debt of lasting gratitude.





# GOVERNMENT OF BENGAL.

## Agriculture and Industries Department.

*Calcutta. The 18th March, 1924.*

*Resolution—No. 1375 Co-op.*

Minister in charge : The Hon'ble Hadji Mr. Abdul Karim Abu Ahmed Khan Ghuznavi.

READ—

The report on the working of Co-operative Societies in Bengal for the year ending 30th June, 1923.

Rai J. M. Mitra Bahadur filled the post of the Registrar, Co operative Societies, and Mr. M. Thorp, I.C.S., that of the Deputy Registrar, Co-operative Societies, Bengal, throughout the year under report. An important change of policy in the administration of the department was effected during the year in that the Government of India was moved to obtain the sanction of the Secretary of State to exclude the two superior posts, viz., those of Registrar, Co-operative Societies, and Deputy Registrar, Co-operative Societies, from the provincial cadre of Indian Civil Service, subject to the proviso that it was left open to the Local Government to appoint to either post a member of the Indian Civil Service or the holder of a listed post should it be found desirable at any time to do so in the interests of public service. The Secretary of State's orders sanctioning the proposal were received shortly after the close of the year. The Bengal Retrenchment Committee, which submitted their report during the



year under review, recommended many drastic changes both in the organisation and activities of the department. Most of these proposals, however, did not meet with the approval of Government. The only suggestion of consequence which has been accepted is the abolition of the post of Deputy Registrar, Co operative Societies. The decision has been enforced from the 11th January 1924. The question whether the inspecting staff consisting of Sub-Deputy Collectors and outsiders should continue to depend upon the Subordinate Civil Service came up for consideration during the year. It was decided that, in the interest of the department, some Sub-Deputy Collectors were necessary, and it was considered that six would suffice. Orders have accordingly been issued as a result of which all except six of the Sub-Deputy Collectors serving in the department reverted to the general line.

2. The number of Societies of all kinds increased from 6,679 to 7,822 or by 17·1 per cent, against an increase in the preceding year of 4·9 per cent., membership from 260,142 to 292,981 or by 12·6 per cent. against 7·4 per cent. in the preceding year, and working capital from 3·68 to 4·33 crores or an increase of 17·6 per cent. against 10·6 per cent. in the preceding year. These figures indicate beyond doubt that the public realise the great importance of the co-operative movement in solving such vital problems as agricultural indebtedness, agricultural improvements, revival of cottage industries and the like. It is also interesting to note that while the actual cash employed in the movement increased from 2·39 crores to 2·82 crores, the percentage thereof contributed by outsiders continues on the decrease. The development towards connecting rural finance in the co-operative societies with trade and commerce in the towns, especially Calcutta, has mani-



fested itself more clearly, and though still of no great magnitude it reveals considerable possibilities. At the other end of the scale from the complicated transactions which this suggests is the reversion to the distribution of home-safe boxes among members of primary credit societies in the hope that, although the same process produced little or no result when first it was tried at the inception of the co-operative movement in Bengal, it may now, when the people have had 20 years' experience of societies, be more successful in encouraging thrift. As indicative of the advance that is being made the departure is noteworthy by which well-managed societies are permitted to open accounts with Central Banks on which the members of the societies may operate by means of cheques. Government hope with the Registrar that the distribution of home-safe boxes will result in an increase of thrift and that the other departures will escape the dangers which lie across the path of such innovations and will result in better business.

3. As hitherto the predominance of credit societies continues, their number being 90 per cent. of the total number of societies. Their number rose from 6,047 to 7,011, membership from 170,067 to 186,944, working capital from Rs. 1,30,80,811 to Rs. 1,48,62,021, share capital from 4·68 lakhs to 7·03 lakhs, deposits from members from 6·39 lakhs to 6·98 lakhs, and reserve fund from 18·32 lakhs to 21·63 lakhs. The collections amounted to 36·12 lakhs or 33·9 per cent. of the amount due at the beginning of the year. Government notice with alarm that repayments overdue are still so heavy and emphasize the urgent necessity of taking every possible step to reduce them.

4. The financial condition of the Central Banks as a whole is reported to have been quite sound. The



tendency to convert mixed-type banks gradually into pure-type ones still prevails. Excluding the Anti-malarial Society, Calcutta Milk Union and five industrial unions the number of Central Banks rose from 70 to 82, affiliated societies from 6,029 to 7,082, working capital from Rs 1,30,55,375, to Rs 1,51,25,775, deposits from non-members from Rs. 84,87,916 to Rs. 97,68,036, and reserve and other funds from Rs. 7,17,328 to Rs. 8,65,684, the proportion of fluid resources of these banks being 52·2 per cent. It is satisfactory to note that the Central Banks are gradually realising the necessity of having salaried officers in their superior executive staff. Government trust that experience will abundantly testify that the expenditure involved in such a measure is amply covered by the better working of the societies. The deplorable events connected with the misappropriation of a large sum of money by the late Honorary Secretary of the Kushtia Central Bank brought matters to such a pass that the collapse of the bank was imminent. Prompt measures were taken by the department which have averted the danger, at any rate for the present. The circular drafted by the Registrar dealing with frauds that have been detected over several years in the societies has issued none too soon, but the living interest of members in their societies is an essential in the opinion of Government to the prevention of frauds such as occurred in Kushtia.

5. The advance made during the year by the Bengal Provincial Federation, now called the Provincial Co-operative Bank, is satisfactory. Membership rose from 77 to 89, working capital from Rs. 25,41,391 to Rs. 34,73,386, reserve and other funds from Rs. 37,167 to Rs. 66,238, share capital from Rs. 3,14,925 to Rs. 3,59,900, and deposits from the public from



Rs. 38,30,130 to Rs. 87,29,542, and this even though rates were reduced. Apparently the deposits received were in excess of the Bank's requirements and the surplus was invested in other Provincial Co-operative Banks. The rates on deposits are certainly not excessive, and the policy of the Bank as explained in the report appears to Government to be sound. In particular the policy of catering only for short-term loans to Central Banks and leaving them to find their long-term loans locally appears to be a wise change. The endeavour to use the bank as a link between commercial and agricultural finance cannot but prove an interesting experiment, but it will need careful watching in its initial stages. The acknowledgments of Government are due to Raja Rishee Case Law, C. I. E., who had to retire from the Chairmanship of the Bank owing to ill-health; and to Mr. S. R. Das, the Advocate-General, who has succeeded him.

6. While the increase in the number of agricultural purchase and purchase and sale societies from 15 to 21 is certainly an indication of perseverance, with its suggestion of a promise of eventual success, Government cannot share the Registrar's satisfaction at the fact that the total profits of these societies amounted to Rs. 5,910 against a loss of Rs. 326 in the preceding year, for the simple reason that, if we omit the one society in Bakarganj each year, the remainder of these societies will show in 1921-22 a loss of Rs. 2,626 and in 1922-23 a loss of Rs. 4,197. Except in regard to the Bakarganj society, the profit of which in 1921-22 was Rs. 2,330 and in 1922-23 Rs. 10,107, the figures of profit of these societies produce the opposite of a sense of satisfaction. Nor indeed do the dishonesty and violation of bye-laws, and the self-seeking spirit of members, who, learning the shop-keeping business



from the store, opened rival shops of their own, and the other faults to which the Registrar refers tend to produce a feeling of satisfaction. Government are well aware of the almost insuperable difficulties that stand in the way of these societies and are pleased to think that these difficulties do not deter the department in its efforts to overcome them, but it would be misleading to express satisfaction at the financial results of 21 societies as a whole when 20 of them are so far failures financially, although one is a brilliant success. Government are glad, too, that the still greater difficulties of organising jute sale societies have not yet disheartened the department. Judging from references in Council there is a strong desire amongst the representatives of the people to see such societies successfully established, and if the department succeeds in overcoming the peculiar difficulties due to the speculative element in the trade and the fluctuation of prices it will achieve a notable success. The organisation for the purchase of good seeds, especially jute seeds, is another line in which Government think eventual success by the department would be held to be meritorious.

7. Government view with genuine pleasure the striking progress made in the organisation of irrigation societies. The success already attained by some of these in preventing the loss of crops is very gratifying, and Government agree that their possibilities can hardly be exaggerated. The number of these societies increased from 29 to 114, of which 66 are in Bankura and 45 in Birbhum, membership from 1,318 to 4,689 and working capital from Rs 42,626 to Rs 77,658. Government are glad to learn from the Registrar that the spread of this movement in Bankura and Birbhum is due largely to the Collectors, Messrs. G. S. Dutt and Blackwood, and their assistants, but they are equally



pleased to learn thrt several non-official gentlemen too rendered invaluable assistance. As an example of self-help these societies stand out by themselves, and the department may rest assured that Government will treat most sympathetically any proposals to render development on these lines more rapid and more secure.

8. It is also a matter of congratulation that some headway has been made in the formation of Co-operative Agricultural Associations with their 'great possibilities for amcliorating the condition of the cultivating classes. The increase in the number of these societies from 4 to 11 is not unsatisfactory.

9. The solid progress of the Milk Societies reported by the Registrar is very encouraging. The number of these socceities increased from 47 to 52. The efforts to extend the field of operations to greater distances from Calcutta and to pasteurise milk locally before bringing it to Calcutta as well as the proposals to maintain pedigree bulls in different centres will be watched with interest.

10. In spite of the devastating flood with which the locality was visited during the year under report, the Naogaon Ganja Cultivators Co-operative Society, Limited, appears to have maintained its good record, its total membership increasing from 3,021 to 3,221, share capital from Rs. 30,830 to Rs. 33,710, and deposits from non-members from Rs. 70,632 to Rs. 1,08,210. The society is to be particularly congratulated on the continued investment of part of its profits in schemes of public utility, such as charitable dispensaries, veterinary dispensaries, primary and secondary schools, re-construction of embankments and roads, etc. Government join with the Registrar in his expression of regret at the loss of the services of Khan Bahadur Ata-ur-



Rahaman who was the first Deputy Chairman of the society and had conducted its affairs with conspicuous success.

11. It would appear from the report that the stores and supplies societies are steadily on the decline, and Government consider that the Registrar's analysis of the situation is quite correct and that the societies are finding it increasingly difficult successfully to compete with professional traders, as pre-war conditions are gradually re-establishing themselves. Yet since stores and supplies societies do succeed in other countries it cannot but be probable that the real cause of failure is the disloyalty of the members, which the Registrar emphasizes, and the dishonesty of the staff which he is taking measures to correct. Government earnestly trust that the Stores Manual now under preparation will indicate with success the necessary safeguards against dishonesty.

12. The capitalistic spirit of certain of its members which has forced the Registrar to cancel the registration of the Dacca conch-shell workers is greatly to be deplored. Apparently the society's financial success—profits rising from Rs. 481 to Rs. 18,024—induced its members to become exclusive, and the society acted towards the numerous *bona fide* and eligible conchshell workers who wished to join somewhat as a mahajan wishing to retain all profits for himself. It is to be hoped that the society will be reconstructed satisfactorily.

13. The number of weavers' societies rose from 120 to 142, membership from 1,677 to 1,882, and working capital from Rs. 54,629 to Rs. 62,754. The question of supplying cheap electric power to weaving centres in rural areas is being investigated by the departments of co-operation and of industries. Bager-



hat Weaving Union at Kandapara is a society the working of which will be watched with great interest.

14. Government are awaiting the Registrar's report on the re-organisation of the Bengal Co-operative Organisation Society so as to extend its scope and utility.

15. It is disappointing to note that, while considerable headway has been made in other provinces in initiating co-operative housing schemes, nothing has yet been done in this direction in Bengal. In view of the housing difficulty in Calcutta, the problem is becoming more and more important. It is hoped that Rai J. M. Mitra Bahadur, who has studied the problem in Bombay, may, on his return from England, be able to contribute to the solution of this problem.

16. The thanks of Government are due to Rai J. M. Mitra Bahadur for his efficient administration of the department and his interesting report. Government join with the Registrar in acknowledging the services of Mr. Thorp. The names of the other officers of the department commended for good work are noted with pleasure. Government are also grateful to the district officers who are reported to have helped the movement in their respective jurisdiction.

By order of the Government of Bengal  
(Ministry of Agriculture and Public Works),

J. T. DONOVAN.

*Secretary to the Government of Bengal (offg.).*



# **FENI CENTRAL BANK'S NON-FORFEITURE 15 YEARS' ENDOWMENT DEPOSIT SCHEME WITH LIMITED PAYMENT FOR TWELVE YEARS AND A HALF.**

## **OBJECTS AND REASONS :—**

Where as it is expedient and incumbent to inculcate the principles of thrift among the people of limited means by the introduction of a system of deposits without encroaching upon the ordinary necessities of life whereby they may be encouraged to save, it is desirable to open the endowment deposit scheme in the Feni Central Bank for the benefit of subscribers and their families against the stormy days of their lives.

It is expected that the system of deposit may further the progressive development of the country on the side of economy.

## **PROVISIONAL RULES :—**

1. It shall be called "The Feni Central Bank's Endowment deposit" and shall be administered by the Board of Directors.

2. It shall ordinarily be opened to the bonafide residents of this Sub-division.

3. The monthly subscription is Rs 5/- or multiple of 5 subject to a maximum of five multiples.

4. For payment of continuous monthly subscription of Rs 5/- on or before the 7th day of every month for complete twelve years and a half the subscriber shall be entitled to payment of Rs 1500/- at the completion of 15 years from the date of the first subscription when the endowment will be matured.



5. If a subscriber ceases to make payment during the 1st year only the paid up subscription shall be refunded to him.

6. If a subscriber defaults in making payment after the 1st year the paid up subscription together with interest accrued there on at  $7\frac{1}{2}\%$  p. a. shall be refunded to him.

7. If a subscriber dies before the completion of ten years his nominee or legal representative shall be entitled to the payment of the paid-up subscription together with interest at  $7\frac{1}{2}\%$  p. a.

8. If a subscriber dies after the completion of ten years and before the completion of 12 years and a half his nominee or legal representative shall be entitled to payment of the paid up subscription together with interest at  $7\frac{1}{2}\%$  for the years and  $8\%$  p. a. for the remaining period.

9. After the completion of twelve years and a half no subscription shall have to be paid.

10. If a subscriber dies before the completion of 15 years after the completion of 12 years and a half his nominee or legal representative shall be entitled to payment of the amount standing at his account at the completion of 12 years and a half together with interest at  $8\%$  p. a.

11. If a subscriber wants to withdraw the amount standing to his account after the completion of twelve years and a half before the endowment is matured the subscriber may in the discretion of the Board be entitled to the payment of the paid up subscription together with interest at  $7\frac{1}{2}\%$  p. a. minus discount at  $3\frac{1}{2}\%$  of the total profit.

12. If a subscriber fails to make payment of the subscription on or before the 7th day of the month he shall have to pay a fine of annas four. For



nonpayment of subscription for continuous four months the subscriber will be taken to be a permanent defaulter and he will be treated as provided in rules 5 or 6 as the case may be.

13. Interest will be added to the principal after accrual. The ordinary rules of deposits followed in the bank for calculation of interest will be observed.

14. Interest at 7½% p. a. shall be allowed for ten years from the date of subscription and afterwards at 8% p. a. till the endowment is matured.

15. The guaranteed amount after maturity or the amount standing to the account of a deceased subscriber shall carry interest at the rate of the current deposit prevalent at the time in the Bank till the payment of the amount to the subscriber or to his nominee or legal representative as the case may be.

16. The amount accumulated in the fund will be shown as liability of the Bank in its annual balance sheet.

17. The Board's decision is binding upon a subscriber or his nominee or legal representative but an appeal will however lie to the Registrar of Co-operative societies, Bengal, whose decision shall be final and conclusive on both parties.

*Hony. Secretary, Feni Central Bank.*



*Proceedings*  
**OF THE SIXTH ANNUAL GENERAL MEETING OF  
THE BENGAL PROVINCIAL CO-OPERATIVE  
BANK, LTD., HELD ON THE  
4TH OF MAY, 1924.**

**Delegates present :—**

*57 Delegates representing Central Banks all over Bengal were present.*

1. The annual report, accounts and balance sheet as at 30. 12. 23 were considered and accepted.

2. Dividend at 7½ per cent as recommended by the Directors was declared.

3. In connection with the election of the Board of Directors the principle on which the different divisions should be represented on the Directorate was discussed and it was decided that three Directors should be elected from amongst the affiliated societies in each division the total strength of the Directors being thus raised from 12 to 18 including three Directors from Calcutta.

The following gentlemen were elected as Calcutta Directors for the current year.

1. Mr. S. R. Das, Bar-at-law,  
Advocate General, Bengal.
2. Mr. M. Thorp, I. C. S.  
Registrar of Co-operative Societies, Bengal.
3. Mr. J. C. Sen.  
Central Bank of India.

The following Directors were then elected from the five Divisions.



	1. Rai M. N. Bose Bahadur.
Burdwan Division-	2. Mr. S. K. Bose.
	3. Maulvi Modussur Hussain.
	1. Rai I. B. Bhaduri Bahadur.
Presidency Division-	2. Babu Jatindra Nath Ghose.
	3. Babu Nagendra Nath Mukerjee.
	1. Khan Bahadur M.K. Zahirul Huq.
Dacca Division-	2. Babu Sashi Mohan De.
	3. Babu Bireswar Lahiri.
	1. Mr. I. B. Dutt.
Chittagong Division—	2. Babu S. K. Chakrabarti.
	3. Rai N. N. Banerjee Bahadur.
	1. Babu Surendra Nath Mitra.
Rajshahi Division-	2. Maulvi Hamidur Rahman.
	3. Babu Ram Chandra Roy.

Mr. S. R. Das was unanimously elected as Chairman of the Board of Directors.

4. The maximum amount of borrowing by the Provincial Bank was fixed at 10 times the paid up share capital plus the Reserve Fund separately invested.

5. (a) The estimate of expenditure for 1924 was passed.

(b) It was resolved that Messrs Price Waterhouse Peat & Co. be appointed Auditors for carrying detailed audit on a remuneration of Rs 800/- but that if they decline the offer, Messrs. Ray and Ray be appointed Auditors on these terms.

(c) The division of profits as recommended in the report of the Directors to the share-holders was approved.

(d) Sanction was accorded to the expenditure of Rs 137/15/- incurred in excess of the allotment of Rs 1000/- sanctioned out of the profits of the year 1922 for meeting the travelling allowance of Directors in the year 1922-23.



(e) Introduction of Home Safe Boxes—Mr. I. B. Dutt explained the benefits which would be derived from the use of these boxes and urged that each Central Bank should take at least 50 such boxes. Babu Anukul Chandra Roy Chowdhury pointed out that in the Taki area they had previously attempted the introduction of Home Safe Boxes but that the societies did not take these boxes. It was agreed to by the representatives of Central Banks to introduce these boxes which were of an improved and more attractive type.

6. (a) Rai Nalini Nath Banerjee Bahadur then proposed that clause 4 of bye-law 25 should be amended so as to leave it to the discretion of the General Meeting not only to reduce the rate of dividend recommended by the Board of Directors as at present but also to increase it. The Secretary of the Rajshahi Bank and others supported him. Mr. I. B. Dutt, Babu Jatindra Nath Ghose and others opposed the proposal. The Chairman explained that there are many things which the Directors knew e. g. unsatisfactory or doubtful position of a particular Central Bank to which they had lent money, which in the interest of the Central Bank it would not be proper for the Directors, to disclose at a general meeting, but the Directors always took these factors into consideration in recommending the payment of a dividend at any particular rate and it would not be desirable or safe for the Provincial Bank to alter that rate without knowing all the facts of the case. To disclose these facts at a general meeting of the Provincial Bank would be to hasten the collapse of the very institution which they had been trying to save by means of a loan. The clause as it stood was a self-denying ordinance, as it were, passed by the



General Meeting restricting their own power and until the Provincial Bank had a reserve capital of at least say—Rs. 10,00,000/- in place of Rs. 50,000/- which they now had and had firmly consolidated its position it might affect the confidence of the public if they were to alter the bye-law and to let the General Meeting have the power to raise the dividend recommended by the Directors. They all knew that the General Meeting or a majority of those present at it would be inclined towards paying a higher dividend. Rai Nalini Nath Banerjee Bahadur thereupon withdrew his proposal.

(b) Rai Nalini Nath Banerjee Bahadur next proposed that bye-law 41 should be so amended as to provide that not more than one Director should be elected from any affiliated society. He pointed out that at least three of the Directors elected from the Chittagong Division had been taken in from the Comilla Central Bank. Mr. I. B. Dutt replied that he himself was a member of at least three Central Banks in the Chittagong Division, Viz. Comilla Central Bank, Brahmanbaria Central Bank and Chittagong Bank. This was agreed to in principle and it was proposed that a clause to this effect should be incorporated in the procedure which was to be drawn up for the election of the Directors. It was resolved that the Directors should prepare a draft amendment of the by-laws with a view to provide a definite procedure for the election of Directors, which draft would be placed before the General Meeting.

7. The Chairman explained the functions of the proposed appointment of a loan Superintendent on Rs. 250/- a month.

Mr. I. B. Dutt proposed the appointment of such a Superintendent on Rs. 250/- a month. Rai Indu



Bhusan Bhaduri Bahadur, Babu Jatindra Nath Ghosh and Rai A. C. Banerji Bahadur supported the motion. Babu Nagendra Nath Mukherjee, Mr. Modusser Hussain and several other members opposed the motion. The proposal was put to the vote and lost.

With a vote of thanks to the Chair the meeting dissolved.

SD. S. R. DAS,

*Chairman.*



## BRIEF REPORT ABOUT THE WORKING OF THE KHEPUPARA CENTRAL CO-OPERATIVE BANK LTD., FOR THE YEAR 1922-23.

The 5th Annual General Meeting of the Bank was held on the 25th January 1924, with Mr. A. H. Clayton, I.C.S., Commissioner, Dacca Division in the chair.

The following figures will explain the progressive prosperity of the Bank.

Year	Asset	Liability	Profit	Reserve
1919	1,63,127/12/9	1,62,803 /1/3	324 /9/3	103/11/-
1919-20	3,47,931 /9/-	3,42,046/11/9	5,884/13/3	2200/-
1920 21	4,93,467/10/5	4,78,658 /6/3	14,809 /4/2	6250 /3/8
1921-22	4,74,365 /8/5	4,59,904 /5/-	14,461 /3/6	9865 /8/8
1922-23	4,92,992 /8/-	4,76,417/12/7	16,574/11/5	14010/-

The Bank has got no bad debt to realise or to pay off and the whole of its funds are invested in rural societies and Provincial Co-operative Bank.

It is a pure type Central Bank and its members are all Co-operative Societies only. It is at present financing the 119 co-operative societies in the Bakerganj Sundarbans colonization area and the Bakerganj Sundarbans Co-operative Supply and Sale Society Ltd., one of the first Co-operative Stores in Bengal.

The Central Bank is launching on various schemes of educational and industrial developments. The weaving school is producing very good cloths commanding ready sale in the market.

The Veterinary Establishment since its inception in 1921 has been doing excellent work by warding off cattle diseases.



The Central Bank's energy towards introduction of Arbitration Court system amongst societies has proved quite successful in the colonized area. There are at present 7 Arbitration Boards in this area one at Pathorghata and 6 at Khepupara.



# **A SHORT NOTE ON THE FORMATION OF A CENTRAL AGRICULTURAL AND INDUSTRIAL ASSOCIATION AT FENI.**

*Read by Khan Saheb Moulvi Abdul Khaleque, Hony. Secretary,  
Feni Central Co-operative Bank Ltd., at an inaugural  
Meeting held on the 17th March, 1924 under the  
presidency of Mr. Dey the S. D. O., Feni.*

**"If the system of Co-operation can be introduced  
and utilized to the full, I foresee a great and  
glorious future for the agricultural interests  
of the country"**

H. M. The King-Emperor.

*December 1911.*

The Chief object of Co-operative is to deal with stagnation of the poorer classes and more specially of the Agriculturists who constitute more than 95% of the total population. It is an admitted fact that in spite of the rapid growth of commerce and improvements in communication and establishment of Co-operative societies the economic condition of the people in general had not been progressing as it should have done, their indebtedness has tended to increase, the agricultural method has not improved and that the old unsatisfactory condition of the backward rural economy seems destined persistently to continue.

The main causes of indebtedness of the agriculturists are the following among others :—



1. High rate of interest. (a) Unusually prohibitive rate of interest prevailing in some parganas on default of unusual rent kist.

2. *Abnormal rise in price of necessities of life.*

3. Failure of crops on account of heavy or insufficient rain.

4. Absence of scientific method and good implements of agriculture.

5. Improvidence and extravagance in marriage and death ceremonies etc. etc.

6. Litigation.

7. Losses due to sale of some of the agricultural produce at less than cost price or at low rates contracted with middlemen capitalists.

8. Excessive enhancement of rent beyond the productive power of land in some places.

9. Un-usual death roll of cattle in the subdivision.

*N. B.*—Last year cattle worth about a lac of rupees died from the area of Co-operative societies in Feni sub-division.

10. Ignorance and illiteracy of the people.

11. Prevalence of Cholera, Kala-azhar and other fell diseases in the Muffassil consequent on the unsanitary condition.

12. Absence of industrial organisation.

13. Rapid increase in population.

13. Insufficient land per head as noted below :—

Population per square mile in Feni Sub-division is 112 ; cultivated area in Feni Sub-division is 1566 ; and the number of persons per house in Feni Sub-division is 5.5.

The aim of the Co-operaative movement is the development of the material and moral condition of the people. The development of the moral condition again depends mainly upon economic advancement which in



itself is the result of agricultural and industrial improvement. By extending the principles of co-operation to various branches of agricultural industries we will certainly strike at the causes of poverty among the agriculturists. Upon the prosperity of the agriculturists depends the prosperity of the nation. By developing the material resources of the country we can make this land as prosperous as any other country in the world. We have great resources in our strong sun, in our great rivers, in our great mountains and in the rich soil of the plain.

Co-operation professes very lofty aims. It is to extend education, raise moral tone, create a band of identical interests uniting man with man.

Development of agriculture and industries is required for the uplift of the people whose economic advancement should be worked out by the few literate countrymen of theirs. In their prosperity all other classes in the land will share. It is therefore a paramount duty of every one of us to help our agriculturists out of their present difficulties. The result may not be achieved at once, we shall have to work patiently. The department of Co-operation and Agriculture should work in co-operation for the moral and material uplift of the people groaning under grinding poverty.

Poverty and illiteracy are the main causes for unequal distribution of wealth. If the agricultural interests of the country can be fully developed the resulting happiness and prosperity will almost be equally shared by the children of the soil.

The bond of unity between the rich and the poor will be established. Era of happiness and prosperity will dawn upon the land of our birth. It lies entirely within us. If we are guided by the noblest of feelings



to do good to the greatest number we should at once begin in right earnest the work of regeneration of our own people. May God help us in our work.

#### **Suggestions for Improvement.**

1. Gradual introduction of scientific method of cultivation.

2. Cultivation of cotton. Cotton industry should be introduced on co-operative basis.

3. Industrial institutions of other nature should be organised on co-operative basis.

4. Weaving schools should be organised in important places. Females should be trained in the art of weaving. They may then find opportunity of utilizing the hours now spent in idleness.

5. Attempts should be made to organise society for brick manufacture on large scale.

6. Night schools should be started in backward places.



# **Extracts & Selections.**

## **HELP TO COTTON CULTIVATORS.**

### **Sale Societies in Gujarat.**

Co-operative Cotton Sale Societies in Gujarat are organized primarily in order that the cultivators-producers of cotton may be able to realize higher prices for their produce than they do or did when they sold unginned cotton individually. The higher prices, however, are to be obtained not through any fraud, but by offering good stuff of uniform quality to the buyer. In most of the Cotton Sales Societies—particularly in the Sonseti and Gothan Societies of the Surat District all the members take seed from their societies. Members are allowed to bring cotton to the society and every member can bring cotton grown by themselves only. Not only, therefore, there is no mixture of inferior cotton in the cotton offered by societies for sale, but the quality is generally uniform throughout. The societies get their cotton ginned and whenever necessary even pressed.

The greatest benefit to the cotton industry both agricultural and manufacturing—will result when the cultivators—the producers establish direct connection with the consumers—the cotton mills. The former will get the best price their stuff deserved, and the latter will be in a position to know exactly what stuff they are buying. They can always rely on the samples supplied by societies and confidently look forward to getting in equal to sample. It is certain that the Agents of cotton mills if they were convinced that certain sellers—particularly organization of producers themselves—were reliable they would gladly pay prices higher than what they have been paying for inferior stuff. A demand from mills for societies' cotton is gradually springing up. If any firm were desirous of dealing with any cotton sale society in Gujarat, direct, the Assistant Registrar will be glad to put them in touch with any or all the societies in Gujarat.

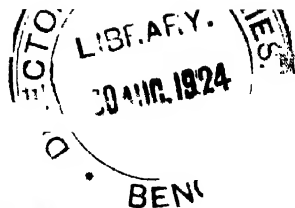


## NURSERIES OF SWARAJ.

There is not only a material and moral side to the movement of co-operation but there is also a constructive political side to it which Indian politicians have not taken advantage of. The co-operative societies are essentially democratic institutions managed and governed by elected representatives and afford great scope for extensive political training of our people in the villages and towns and are therefore the nurseries of Swaraj. Every co-operative society is a nation-building institution where men elected by its members prepare their Budget for the year, receive loans, dispense credit, learn team work, cultivate thrift as a national virtue, know a good man from a bad one, distinguish between a talker and a worker, realise from experience of the practical working of their own selfgoverning society what the difficulties of a national or foreign government are in running the administration of a huge country, cultivate the sense of responsibility in giving the vote, municipal, provincial or national, to the proper candidates, and gather such experience of practical affairs as will constitute them into enlightened electorates on which alone the successful working of all self-governing institutions depends in the end. The handling of other men's money for the common good of a village instills the sense of responsibility and the spirit of discipline in people. While it creates co-operative enthusiasm for the economic betterment of the village, it also pours buckets of cold water on wild dreams and impractical ideals. To make a young man responsible, to teach him how to handle money remuneratively, to inculcate within him by the spirit of practical social service put him in a co-operative society.

The co-operative societies of India are the nurseries of Swaraj. There are 56,136 in number to-day and have a membership of a little over two million people or about a third of the total number of voters under the Montagu-Chelmsford scheme. These members learn the art of democratic government, of business efficiency, of give and take which is the essence of democracy, from day to day from month to month in their societies.—*Sind Observer*.





## CO-OPERATIVE BANKS IN INDIA.

Co-operative Banking in India was the subject of an interesting paper read at a meeting of the Royal Society of Arts. The lecturer was Mr. Otto Rothfield, who was formerly Registrar of Co-operative Societies in Bombay and also a member of the Legislative Council.

Referring to the vast changes which had taken place in India during the last few years Mr. Rothfield said that to-day there was a national India in a very real sense, though twenty five years ago such an attribute could not possibly have been predicated. There were notable economic changes too. For good or for evil, India had now been drawn into the general economic polity of the world. Prices were fixed, like the prices of other countries, in the great markets of New York, Liverpool and London. Crops were grown to a preponderating extent for sale in the international market. Cultivation for subsistence was more and more going into desuetude.

The lecturer said that the Presidency which had been most rapidly and most completely absorbed into the industrial and capitalist system was Bombay. But the same process is going on, in varying degrees, throughout India. The real question for the statesman and administrator in modern India was how, given the inevitable capitalization of the country, the people were to be prepared and protected so that they may enter with success, or at least without too much devastation, into the world of modern economic conditions.

The lecturer was concerned mainly with that side of the problem which deals with the provision of credit, especially in connection with the co-operative movement. In 1920 there were 53 joint stock banks in the whole of India. Of these the Exchange and Presidency banks, with a few others, held nearly 11 crores in capital and reserve and 71 crores as deposits. The institutions, on the other hand, which could be of real utility to the people of India, held less than one crore in capital and



reserve, and  $2\frac{1}{2}$  crores as deposits. The big banks of the first class do a business which hardly touches the local trader and cultivator, and the smaller banks by reason of their scanty number and meagre capital are practically useless.

### **Paucity of Capital.**

Mr. Rothfield attributed much of the hoarding which goes on in India to insufficient banking facilities and want of a proper organization of capital. The result is that industries and even ordinary trade outside two or three big cities languish and starve through the centralisation of capital elsewhere. He insisted, that the first condition for any adequate progress in national prosperity must be a rapid and vast extension of banking.

The co-operative movement, according to the lecturer would supply what was lacking. Co-operative people's banks were admirably suited for tapping local capital and stimulating the free circulation of money, by which means trade and industries could be developed and fostered.

Dealing with the second section of co-operative banking in which loans are given to agricultural societies by district central co-operative banks with the provincial co-operative bank at their head, he said that the business of these institutions was essentially steady and conservative. In 1922 there were 473 banks of this class, with a working capital just under 10 crores, and a share capital just of  $1\frac{1}{2}$  crores.

Mr. Rothfield concluded by saying that what had been attained by co-operative banking went, in his opinion, even beyond what appeared from the figures. He considered the prospects for the future to be bright, and he held that the general desire for a national renaissance was providing a stimulus which would help co-operative banking forward like other forms of Indian development, to a successful career. It represented a system of banking and credit by which the powers of finance, with all their potentialities for good or evil, might be used by the people, for the people, and through the people.

### **The Example of Jamaica.**

The Secretary of State, Lord Olivier, was one of those who heard the lecturer, and also expressed his general agreement with



the views put forward by Mr. Rothfield. He drew upon his experience in Jamaica in order to illustrate the value of co-operative banking to persons with slender capital. In consequence of the destruction wrought by a severe hurricane in 1904, the Government of Jamaica had to make advances to a great number of small proprietors and peasants. They were able to pull them through and they got their money back. When another disaster of greater magnitude occurred two years later there was a universal appeal for similar assistance. But, said his Lordship, he would not finance anybody except through the medium of co-operative banks, which were proving to be a great boon wherever they were properly worked.

### **PUNJAB CO-OPERATIVE SERVICE.**

The Punjab Government have decided to establish a Provincial Co-operative Service. The reasons for this step and the scope and conditions of the new service are explained in the following resolution:—Until 1921 the permanent superior staff of the Department of Co-operative Societies consisted of a Registrar and a Deputy Registrar, both members of the Indian Civil Service and provided for in the superior posts of the Punjab Indian Civil Service cadre, and two assistant Registrars promoted from amongst Inspectors of Co-operative Societies. To keep pace with the increased work and to widen the sphere of the Department's activities, three posts of Assistant Registrars were created in 1921, and subsequently a second post of Deputy Registrar and two more posts of Assistant Registrar were added to the cadre. In order to improve the prospects of the Assistant Registrars it was decided to increase the cadre of the Punjab Civil Service so as to provide for the inclusion in that service of the appointments of Assistant Registrar and also the second post of Deputy Registrar,



a 'special pay' of Rs. 150 per mensem being attached to this latter appointment. Difficulty has, however, been experienced in furnishing on the cadre of the Punjab Civil Service a sufficient number of men trained in co-operative work available for appointment as Deputy and Assistant Registrars on the occurrence of vacancies. The Punjab Government ( Ministry of Agriculture ) have, therefore, decided to establish a Provincial Co-operative Service, with effect from the 1st. April, 1924. This service will for the present consist of one Deputy Registrar and seven Asst. Registrars the pay of the existing incumbents of these appointments will be governed by the time-scale of pay sanctioned in Punjab Government resolution, No. 10242, dated the 1st. April, 1921, and the Deputy Registrar will, in addition to his time-scale pay, continue to draw a special pay of Rs. 150 per mensem. The pay of future entrants to the Provincial Co-operative Service will be on a time-scale of Rs. 250—25—550—25—750 (with a probationary period in the case of direct appointments, if any, of two years on Rs. 250 ) and the incumbent of the post of Deputy Registrar will, as heretofore, continue to draw a special pay of Rs. 150 per mensem in addition.

## **PROGRESS OF CO-OPERATION.**

The "Statements showing progress of the Co-operative Movement in India during the year 1922-23" have now been published by the Director of Statistics. Judging by these statements, no revolutionary change is coming over the co-operative movement in the country. They doubtless reveal evidences of progress along the usual lines and at the usual pace, but they also reveal, not less clearly, the directions in which the movement shows drawbacks. In the year under review, the number of societies increased from 52,182 to 56,136 or by over 3,900, but this increase was not



quite evenly distributed, Bengal, Madras and Bihar being between them responsible for some 3,000 additional societies. This is satisfactory only dynamically considered ; for, the statical position of the movement in these provinces is not very strong. Thus, these provinces respectively possess but 16.8, 19.9 and 15.1 societies for a lakh of inhabitants, while Punjab, Burma, Coorg and Ajmere-Merwara possess respectively 45.6, 46.7, 83.0, 100 societies per lakh of population. The membership of primary societies increased from 1,974,290 to 2,102,446 in the period under consideration, an increase which, it will be noticed, is not proportionate to the increase in the number of societies. The result is that the average membership of societies has fallen from 38 to 37. The increase in the working capital of the societies has been steady. In the last four years, it has risen from Rs. 21.41 crores to Rs. 25.54 crores ; and, although in the year under report, the rate of increase is not as much as in the previous year, the fall is negligible, the increase being over four crores. The increase in deposits is significant in that it shows the movement has taken deep root and commands public confidence. Most of the working capital was utilised in financing agricultural societies, mainly of the credit type, non-agricultural societies numbering less 4,000 in all ; for, of the total of 49,830 agricultural societies, as many as 48,783 were credit societies. This is perhaps natural in the initial stages of the movement ; but seeing that 20 years have elapsed since the passing of the Act of 1904, it is, we think, time co-operators were able to show a greater extension of the movement to other fields of co-operative work. It is to be regretted that even in the agricultural credit sphere, all is not quite well. The efficiency of the societies appears to leave much to be desired, judging by the not unfair test of regularity in payment of loans. Here one notices that the percentage of overdue loans is alarmingly high and it is more than two digits in all but three provinces—Punjab, Hyderabad and Burma. It is as high as 20 in Bombay, 21.4 in Madras, 40 in Mysore, and 37.0 in Bengal. There is thus ample need, making every allowance for the vicissitudes of the seasons, in these provinces for greater supervision in the matter of granting loans and in enforcing, more rigorously, the observance of sound co-operative principles. More supervising and guaranteeing unions may be helpful in this connection. As a matter of fact,



for the whole of India, there are only 1,379 of these unions—a very inadequate number for the 56,000 odd of her societies. There are co-operators who hold that the union is not of very much consequence, and that it may even act as a clog in the co-operative machine. Mr. Wolff, for example, holds this view. It must be conceded in favour of this view that the union is not a *sine qua non* to success. There is but a single union in the whole of the Punjab for the 9,447 of her societies ; and yet the Punjab is in the happy position that the percentage of her overdue loans is only 6. On the other hand, the C. P. owns 306 unions watching over the activities of her 4,858 societies ; and yet her percentage of overdue loans is as high as 38.5. The case of Burma also is instructive in this connection. Burma employs no less than 607 unions to supervise her 5,468 societies and she is not the worse for it ; her overdue loans percentage is but 7.8. The fact seems to be that while the unions may be helpful, they are not an indispensable necessity. Local factors must in each case assess their exact value.

## CO-OPERATION IN BENGAL.

### WORK OF THE SOCIETIES.

#### Poor outlook.

In spite of the high hopes expressed in regard to the co-operative movement in Bengal, by Sir Daniel Hamilton a few years ago. it cannot be said that the progress of the movement in recent years, has been all that could be desired. It is true that, according to latest information, that the number of rural societies in the province has increased considerably, but serious defalcations in two of the central banks, namely the bank at Kushthia and the central bank at Kalimpong have seriously



affected the attitude of the people towards the movement in general. The offenders in both the cases were brought to book, but that such defalcations were possible points to a lack of supervision of the department.

### **New Developments.**

In these circumstances it is reassuring to find that the Government of Bengal did not accept the proposals of the Retrenchment Committee with regard to the reduction of the staff of the Department. There are certain directions in which the Department is trying some new experiments and these, if successful, are likely to popularise the movement. One of these experiments is the introduction of home safe boxes for the encouragement of thrift among the members of village co-operative societies. Some twenty years ago when the co-operative movement was first begun in this country, this experiment was tried, but did not lead to any tangible results. But after some years of experience of the movement, people are more familiar with the idea now, and the efforts of the officers in the Department in some parts of the Chittagong District were attended with results which are more hopeful. It is understood that orders have been placed with an American firm for boxes and it is hoped that the introduction of them will lead to banking habits on the part of the people.

### **COMMERCIAL AND AGRICULTURAL FINANCE**

Another commendable project of the Department is its attempt to establish a link between commercial and agricultural finance through the Bengal Provincial Federation. The idea is that the Federation in Calcutta, which is financed by the central banks in the province at certain seasons of the year, when there is not much demand for money by the central banks, should at reasonable rates lend money to commercial firms and banks in Calcutta and thus try to relieve the position when the money-market is tight. The idea, no doubt, is an excellent one, but the Federation has a capital of not more than Rs. 35 lakhs and it is doubtful if its influence on the Calcutta money market will be at all appreciable.



## A DISMAL STATE

The state of the sale and purchase societies, however, is a dismal one. Though numerically they have risen from 15 to 21 during the last year, the position does not on the whole, seem to be very hopeful. Except the society in Khepupara in Bakarganj, which is a flourishing one, all the societies are being run at a loss. This has been attributed to want of loyalty on the part of the members.

There have been some experiments of late in regard to jute sale societies, and as was pointed out the other day in *The Englishman*, the cultivators as well as the jute firms appear to have considered the project as advantageous to all parties concerned.

## SOCIETY FOR CONCH SHELL WORKERS.

The establishment of a society among the conch shell workers of Dacca was a step in the right direction for the freeing of the workers from the clutches of the middleman. The society did very well at the beginning and made very handsome profits, but a capitalistic spirit sprang up among the Directors, and a large number of *bona fide* workers were shut out from the society and the Department found it necessary to dissolve the society and hand over the business to the Dacca Industrial Union which will undertake the functions of the co-operative society.

Among the Industrial unions the Dacca Union has not a bad record of work to its credit. It has been organised to finance small industries in Dacca like tanning and weaving and to help forward the establishment of dairy farms, though on a small scale.

The same capitalistic tendency which has been responsible for so much trouble in the conch shell society has caused difficulty in the fishermen's society in Dacca and Faridpore. There was a Tug-of-war between the Kaibartas and Malos, one party trying to shut out the other.

A careful study of the different phases of the co-operative movement will convince one that more supervision and the education of the people in regard to the principles of co-operation is necessary before the movement can take a distinctly successful turn.

—*The Englishman*.



## CO-OPERATION IN UNITED PROVINCES.

### Failure of Non-credit Societies.

The United Provinces Government's resolution dealing with the annual report on the working of co-operative societies in the United Provinces for the year ending the 30th June, 1923, states :—

The report shows clearly the progress which the movement made during the year. There was a net increase of 372 in the number of societies of all kinds, central societies increasing by 3, agricultural primary societies by 351, and non-agricultural by 18. The number of persons benefitted by the movement and the amount of capital involved in it, rose correspondingly. Fewer societies were dissolved—95 as against 104 in the previous year.

Central societies especially improved the position, and increased considerably the working and share capital and reserve fund. The proportion which their fluid resources bear to their total outside liabilities rose from 34·1 per cent. in 1921-22 to 37·1 per cent. Some banks experienced difficulties in raising funds and certain societies were not as ready as they might have been to assist them ; their failure to offer assistance is not consistent with the spirit of co-operation, and the Registrar should bring this to their special notice.

Agricultural credit societies largely increased the volume of their transactions: they made larger advances and secured better repayments. Of the total amount outstanding with their members 45·6 per cent. is now owned by them. Audit showed that the accounts of many of the societies are better kept. Non-agricultural credit societies too on the whole did well, increasing their membership, working capital, and profits.

### NON-CREDIT SOCIETIES.

Non-credit societies, both agricultural and non-agricultural had a poor year. Five non-agricultural societies of this class had to be closed, and the others do not seem to have done much work,



while the agricultural societies seem to be languishing. The principal obstacle to success is the difficulty of managing this class of society ; the business of such societies is more complicated than that of credit societies and requires much closer care. The Registrar should give special attention to this branch of co-operation.

Arrears with societies are too large. Even admitting that the agricultural conditions of the year were not as favourable as those of the preceding year, the crops being comparatively poor and prices lower, it is unsatisfactory that arrears should have increased even slightly, from 30·6 to 30·7 of the outstandings. Certain banks especially have far too large arrears owing to them. Punctuality in the repayment of loans is essential if business habits and thrift are to be inculcated, and every effort should be made to reduce the arrears substantially as soon as possible.

The failure of the non-credit societies and the size of the arrears are unsatisfactory. Further, as the report shows, the Board of Revenue in their last Annual Administration Report commented adversely on the position of the movement in certain districts. There is no ground for undue pessimism, but the movement requires careful watching. The greatest need is probably the enlistment of more honorary workers ; if these could be obtained, advance would be quicker. Government trust that more unofficial workers will come forward as the people realise better the great importance of co-operation to the well-being of the Province.

## **CO-OPERATIVE CREDIT IN UNITED PROVINCES.**

### **THE CONFERENCE AT BENARES.**

The eleventh session of the United Provinces Co-operative Conference was held at Benares on the 6th and 7th April. The Hon. Rai Rajeswar Bali Saheb, Minister of Education



and Local Self-Government, opened the Conference, which was well attended throughout. Some of the most prominent visitors were: Mr. S. H. Fremantle, Mr. C. Y. Chintamani, Mr. C. A. Mumford, Commissioner of Benares Division, Raja Mati Chand and Rai Saheb Goshain Rampuri, Secretary, District Boards' Conference.

The Hon. Rai Rajeshwar Bali Saheb, in his opening speech, said that he had great faith in co-operation as a constructive measure for the uplift of the rural population. It was the people's movement, having for its object the good of the people at large. Both officials and non-officials were to work together without distinction to make it the success that it deserved to be. The movement had been progressing from year to year, and there was no cause for pessimism. The greatest need of the movement was to secure the sympathy and co-operation of willing workers, to propagate co-operative education among the masses and to teach them to cultivate the habit of thrift and association. He further remarked that it was undoubtedly a difficult task but that it was not unsurmountable, and one should not give way to dejection and dismay.

A number of papers were read of which the most important were on the following subjects :—

(1) Co-operation and village organisation, (2) Is the Co-operative movement in the United Provinces a failure? (3) Causes of the backwardness of the co-operative movement in these provinces, (4) some thoughts on co-operation in the United Provinces, (5) Co-operative Stores, (6) Co-operation among depositors, (7) Duration of loans, (8) The desirability of a Provincial Bank in the United Provinces, (9) Co-operation and village sanitation and hygiene and (10) Political aspect of co-operation.

Speeches were also made by Mr. S. H. Fremantle, Mr. C. Y. Chintamani, B. Radha Mohan, wakil of Jaunpur, Rai Ganga Prasad Bahadur of Mainpuri, Rai Mahan Lal Bahadur of Hardoi, Mr. R. Handoo of Allahabad, Mr. B. Mukerji and several other gentlemen.



## SATISFACTORY PROGRESS.

The following were the main resolutions passed by the Conference :—

(1) This Conference is of opinion that the Co-operative movement in these provinces is making as good progress as conditions would permit and that there is no cause for pessimism.

(2) That in the opinion of this Conference it is very desirable that wherever possible District and Central Banks and such societies as work entirely with their own capital should start an education fund under Section 34 of the Co-operative Societies Act at the earliest opportunity and devote this fund towards disseminating education among members of primary societies and their children.

(3) That having regard to the experience about collection of assets from societies in liquidation, it is desirable that their accounts should be audited year after year and the charges met out of costs of liquidation.

(4) That this Conference is of opinion that greater incentive should be offered to Panchayats to do better work and would recommend that central societies should devise means of suitably recognising the meritorious work done by the panchayats,

(5) That all co-operative organisations should aim at decentralisation of work, i. e. of giving as much freedom as possible to primary societies in the management of their own affairs.

(6) That this conference recognises the need of encouraging organisation of Co-operative stores in this province and would strongly recommend that everybody interested in the co-operative movement should take such action as may be in his power to show by example how such stores can be made successful.

(7) That this Conference generally approves of the suggestion made by Mr. Thompson in regard to long term loan and would recommend that they may be considered by the Standing Committee of Co-operators with a view to the adoption of such of them as are found to be practicable.



( 8 ) That this Conference recommends to co-operators that they should lose no opportunity of organising Co-operative Societies aiming at the moral, social and economic uplift of the depressed classes.

( 9 ) That while appreciating the necessity of popularising deposits, this Conference is of opinion that the specific suggestions made by Mr. R. Handoo in his paper are not conducive to the best interests of the movement in the United Provinces.

( 10 ) That the suggestions made by Pandit Gursewak Singh Upadhyia in his paper be sent to the District Boards and laid before the Standing Committee of Co-operators for consideration and necessary action. Resolved further that Pandit Gursewak Singh Upadhyia be asked to formulate a suitable scheme on the lines of those that may be already in existence in other places to give practical training to students of village and town schools in co-operative methods and to lay the scheme before the Standing Committee of Co-operators.

#### PROPOSED PROVINCIAL BANK.

( 11 ) That in the opinion of this Conference it is highly desirable to start a Provincial Co-operative Bank in these provinces as early as possible and that the Conference requests the Standing Committee of Co-operators to frame a scheme for the establishment of a Provincial Bank and submit it to Government for their favourable consideration.

### CO OPERATIVE CREDIT IN CENTRAL PROVINCES.

-:O:-

#### SIGNS OF DETERIORATION.

#### EFFECTS OF BAD SEASONS

The Central Provinces Government, in reviewing the report on the working of the Co-operative Societies in the Central Provinces and Berar for the year 1922-23, states :—



Though the year 1922-23, was agriculturally favourable and a period of much general material recuperation throughout the Province, yet, so far as the Co-operative movement was concerned, there was little progress; while in some directions the deterioration previously suspected became more marked. As the Registrar's clear and closely-reasoned report brings out the full effects of the bad seasons and the financial crisis of 1921 only became fully apparent during the year under report, and it is now clear that while the provincial bank has safely tided over the dangers of the past year, it is in the primary societies that deterioration is most marked and the safety and prosperity of the movement most threatened. No less than 521 societies were under award and 163 in liquidation during the year, while of the total loans outstanding 67 per cent. in the Central Provinces and 42 per cent. in Berar were overdue. In some districts of the Central Provinces business has become so restricted that the societies working there have for all practical purposes ceased to be financed by the Co-operative movement at all. In Berar, where the transferable title to land gives a sufficient material security, the Co-operative spirit is reported to be waning and the movement turning into a land mortgage business. In this condition of affairs it is manifest that urgent steps are necessary to revive the real spirit of the movement and meet the financial difficulties of the primary societies and that some scheme of help both moral and material should be evolved.

#### OVER-OPTIMISM LEADS TO CREDIT INFLATION.

On the material side, as the Registrar shows, the over-optimism which has prevailed in the management of the Central Banks in the past, and the lack of sound business precautions, have led to an inflation of credit which was not justified by the facts. The result has been that when money became tight the rates of interest had perforce to be raised, and the cheap credit, which on its material side is the *raison d'être* of the movement, has largely ceased to exist. If the cultivator is not to be able to get his money cheaper than from the village money-lenders, then the other moral benefits of the movement will, in the present backward condition of general education,



be unlikely to appeal to him. The same reason explains the failure of the guaranteeing unions, membership of which, as the Registrar explains, involved considerable obligations with very few or no corresponding advantages. The Local Government therefore agrees with the Registrar that it is essential for the movement to make clear to its members that it has a material advantage to confer. To this end the local Government endorses the advice given by the Registrar to the Provincial and Central Banks, to reduce their rates of interest on deposits, so that eventually lower rates will reach the individual member of primary societies whose elevation is the prime reason of the movement. There are already signs that this advice is bearing good fruit, and the number of renewals of deposits made at a lower rate of interest is a good augury. The Local Government also commends the scheme by which the interest on reserve funds of societies, when they have reached a certain percentage of working capital can be utilised for the purpose of lowering the rate of interest on loans to members, as being likely to make a concrete appeal to primary societies.

#### MORAL ASPECT.

On the moral side also the Local Government considers that there is no reason to despair. It must be remembered that in this province it has been necessary, owing to the illiteracy and general backwardness of the rural classes, that the movement should spread downwards and outwards instead of upwards as in Europe. It follows, if progress is to be sustained, that the campaign of education must not be allowed to flag, and it is here in the opinion of the Local Government, that the movement has in the past few years been lacking. The too frequent instances, quoted by the Registrar, of unchecked misdemeanours by leading members of societies clearly show that the necessary corporate life is too often wanting in societies, and without continual instigation and education from the Central Banks such corporate vitality will not be forthcoming. The practice, moreover, followed by certain banks, of granting renewals and adding interest to capital, but at the same time including such interest as profits on the year's working,



and therefore available for distribution as dividends, though in fact it has not been collected in full, has led Managing Directors to take too easy a view of their responsibilities. The Local Government trusts that the Registrar's instruction that such paper profits shall no longer be available for distribution will awaken Managing Directors of such Central Banks to a more lively appreciation of the real position of affairs.

#### AUDIT SYSTEM.

The scheme proposed by the Registrar for the carrying out of audit from the profits of societies and thereby setting free the Government Auditors for the more important work of super audit, organisation and education, and the formation of local Co-operative institutes which will undertake the work of propaganda and instruction, should have beneficial results in resuscitating the movement and reviving that spirit which has enabled the movement to advance in the past. The institutes will be entirely unofficial organisations, and the Local Government hopes that they will receive from the public the support which the importance of their work deserves. The efforts of such bodies can in truth be termed "nation building," and the Local Government trusts that they will receive the personal active help of the numerous non-official gentlemen who are interested in the movement.

Lastly, the Local Government wishes to emphasise once again the importance and value of the expert advice and management. The history of the movement in the past few years show how intricate are the problems to be solved and how delicate and easily disarranged is the mechanism of finance. Expert knowledge is essential if costly mistakes are to be avoided and, it is to this end that Government maintains the Registrar and his staff. It must at the same time be remembered that Co-operation in the Central Provinces and Berar has been mainly developed with a view to provide facilities for credit, and that there are many other directions in which development is possible in the future and would be facilitated by the advice of an expert staff. The Local Government, however, has no wish and no intention to officialise the movement



and desires nothing better than to leave the management entirely to co-operative workers, as soon as it is able to do so. In the meantime the advice and guidance of the Registrar are at the service of Central Banks.

## CO-OPERATION IN THE CENTRAL PROVINCES.

### RECONSTRUCTING PRIMARY SOCIETIES.

The Co-operative Department in the Central Provinces and Berar is strenuously engaged in discovering means and methods for revitalizing the movement which, as had already been pointed out in "Capital", is in a fairly parlous condition at present. Several reasons have been put forward for the serious deterioration that is now only too apparent in the working of primary agricultural societies. While the officials blame the non-officials, the non-officials in their turn blame the officials. I am afraid, the time has arrived for this controversy to cease, for it is now essential that the two should unite to rebuild the movement, lest delay may lead to disaster. If officials are the sinners, so much the better: for being repentant they will work the harder. If non-officials are the sinners, so much the better, too; for they also as a result of penitence will work the more zealously. It is the converted sinner, as all the world knows, who is the most powerful factor in any scheme of redemption!

Furthermore, the Co-operative Department have taken upon itself to overhaul the whole organization and infuse a new spirit in every department of co-operative working, and it seems to me that to await results is infinitely preferable to thwarting or impending reconstruction by an unsympathetic attitude. The question now is, not whether the officials are the culprits or non-officials are the most blame-worthy, but whether the Co-operative Movement should or should not live. If it is the wish of the



public that it should not live, then let them make a declaration to that effect and dissociate themselves. If they desire that it should live, then they must set aside whatever differences they may have and co-operate wholeheartedly for the revitalizing of the movement. If non-officials withhold their co-operation, the movement is bound to get, and must get, departmentalized, for whether it is departmentally or non-departmentally worked, the greatest necessity at the present moment is cheap credit, and this cheap credit the farmer must have at all costs. The wisest policy to pursue to attain the object of making primary societies, self-contained, self-supporting and self-governing is not to disassociate from departmental methods of working but to so build up primary societies with the aid of departmental supervision and assistance, as to hasten the time when the latter will be rendered superfluous, in fact more a hindrance than help. Although a non-official co-operator myself, I am afraid I cannot subscribe to the view that departmentalism is the origin of all the troubles in the Central Provinces and that unless this disappears, non-officials are bound in honour not to assist the movement. I would subscribe to this view were it not for the all-compelling, paramount reason that those who would suffer the most as a result of our divisions and differences would be the cultivators. And equally important is the reason that the goal of co-operation is not that non-officials should hold the sceptre and wear the crown, but that each individual primary society, each group of primary societies, should be independent, self-contained, self-supporting and self-governing. This is the real ideal and goal of co-operation in India and it is obvious that recriminations based on the undesirability of departmentalism are altogether beside the mark and certainly vexatious and fruitless. Non-officials are bound by all claims of patriotic duty to assist the cause of co-operation, no matter who is the governing head of it for administrative purposes, and assist it in such a measure that the day may be hastened when the peasant will come into his kingdom. The cultivator is the central fact of co-operation—all other considerations must be subordinated to his interests.

The Co-operative Department has now framed a programme of reconstruction which is worthy of attention. The Registrar in recommending the programme observes that it was in view



of the deterioration which had taken place among societies in most of the districts of the province that it had been urged on Central Banks that the first necessity is to undertake a thorough survey of all their affiliated societies and to draw up a definite programme of reconstruction work. This work would include the elimination of hopelessly bad and un-co-operative societies, the taking of awards against habitual and wilful defaulters, the reorganization of those whose members are decreasing or whose work is deteriorating, the refixation of instalments of loans and grant of renewals where necessary, and in some cases the remission of part of the accumulated arrears of compound interest. Such operations could only be successfully performed by means of personal inspection of the societies concerned in the light of detailed enquiries into their working, but many Central Banks had asked for advice and assistance as to how to set about this formidable task. A suggested Programme of Reconstruction had, therefore, been drawn up, shewing first, the preliminary steps necessary before the work of actual inspection begins, and then the line of enquiry suggested for those, whether directors, Government officers or bank officials, engaged in the work of inspection.

The suggested Programme is framed up as follows :—(1) The first step is to collect such detailed information in tabular form about all societies as is available in the Audit Notes and Bank Registers. For this a form of Status Register is suggested. The answers to the headings given in the Register will enable any Managing Committee to see at a glance the previous history and present financial position of all societies. Any other appropriate headings might be added and irrelevant ones omitted.

(2) The next step is to draw up a rough provisional classification of societies in order of *badness*, according to the action to be taken to mend or end them. The classification of societies according to the action to be taken will be as follows :—Societies (a) for immediate liquidation, (b) for liquidation after award, (c) for immediate award, (d) to be cancelled under Section 40, (e) to be put under award if a certain sum is not paid by a certain date, (f) whose kists should be refixed, (g) to which some remission of compound interest is necessary, (h) which require reorganization by either expulsion of bad members, admission of new members



or revival of demand, etc., (i) which require education, (j) to which the utilization of the Reserve Fund scheme may be applied.

The next step in the Programme is stated to be to consider what approximate amount a Central Bank may expect in the light of past experience to recover in the current and future years, and to make a rough provisional refixation of the outstanding loans into instalments. It is recommended that this should be done in lump sums, as it is only intended to be a guide to check the individual refixation of kists for societies and to show what proportion approximately can safely, or must, be renewed. This provisional refixation is not, however, suggested to take the place of the detailed refixation for each society done after personal inspection on the spot.

The final and by far the most important part of the work of reconstruction is described to be the actual inspection of societies. The means by which this is carried out must depend on circumstances. By far the best plan, where it is possible, is to map out the whole area into divisions, each containing so many societies, and to allot each division to a director or official of the bank. Where they are willing to undertake the work, the agency of directors is to be preferred to that of the paid staff. Each director or official so appointed would inspect each society in his division in turn, with the greatest care and thoroughness and draw up a report, showing what action he recommends and why.

In concluding his memorandum, the Registrar very rightly observes "It is not possible within the limits of a memorandum to detail all the possible measures which may have to be taken to orgnize societies, but it is hoped that the above general suggestions may be helpful in framing a systematic programme of work. Everything depends on the enthusiasm, patience and thoroughness of the inspecting officers, and it is hoped that all directors will realise the importance of the work and do their utmost to assist their own Central Banks in carrying it to a successful conclusion."

C. P.



# **CO-OPERATION IN MADRAS.**

## **NEED FOR A MASS-MOVEMENT.**

The following statement of Mr. K. G. Sivaswami, Secretary, Provincial Co-operative Union and member, Servants of India Society, was read at the Co-operators' Day on 20th April at Kumbhakonam :--

## **DIFFERENT IDEALS OF CO-OPERATION.**

If a Co-operator\* from a foreign country is to visit our Presidency and see how our societies work, he will at once see that the word 'co-operative' is being used to cover enterprises not strictly co-operative. To an Englishman co-operation means the organisation of consumers with a view to joint production and joint distribution. Ta a Dane co-operation means the organisation of the agricultural occupation for the attainment of the greatest return from the soil. To the American farmer co-operation connotes the cheapest method of marketing his produce at the dearest market. To an Indian what is the sense that the cooperative movement carries ? Ask any man in the street and he will tell you that loans can be got in co-operative societies at cheap rates of interest. While co-operation in the West is an expression of the mass mind to rise higher in its intellectual, administrative and organising capacities with a view to prevent their exploitation by the wealthy and the intellectual few, in the East, in our Presidency the co-operative movement is mainly a rural agency for bringing down to the village the money of the urban areas.

## **CO-OPERATION AND SOCIAL SERVICE.**

There is a fundamental difference between co-operation and social service. The object of co-operation is to build up community life in such a manner as to prevent the sources of wastage in the



economy of society by regulating the occupations on the service rather than on the profit basis. Instead of attacking and destroying the existing ~~"capitalist system"~~ ~~directly~~ of its inequalities as regards the payments of wages and the distribution of wealth. Co-operation says to the ordinary consumer : "You yourself learn to manage your production, you yourself combine to obtain the things you consume, direct from the producer, and the present system will change by and by". In other words, it says : "Attain the capacities of the Capitalist banker, producer and trader. If you are poor, build up your capital jointly. If you are exploited by a middleman trader, yourself start his avocation jointly. If you are paid low wages in a factory, organise a self-same one and manage it jointly, but never exploit any one in your joint enterprise for the sake of individual profits".

#### THE CREDIT MOVEMENT IN MADRAS.

Co-operation, then, on the credit side, means the building up of capital for the poor ; on the trade side it means the organisation of consumers for the cheap and efficient distribution of the things they consume and on the productive side it means the regulation of wages on the basis of work executed.

Now, taking the credit side it is impossible to say that we have built up owned capital to the agriculturist. The percentage of societies that have worked at a loss are only increasing year by year.

When there is loss, how can the reserve fund be built up ? and where no reserve fund is built up, how can we expect an agricultural capital for the ryotwari cultivator ? Again, the co-operative movement must have developed that self-dependence to manage rural societies and everyone knows to day-that there are a large number of one man's or two men's societies which are looked upon by the members as the distributors of credit and whose actions go unquestioned by the general body. Co-operation for its success depends on the alertness of the general body of the society and where that body cannot be aroused to a sense of civic consciousness to realise its responsibilities, but lets go the affairs in the hands of a few for whose paternal benevolence for the public good the supervising authorities should ever hope and pray for in the interest of the good working of the Society. There are members



in the rural parts who consider the small instalment of share capital paid as a commission given for the help they receive at the hands of the Secretary or the President. There are societies whose managements might have heavy cash balances but how cannot be questioned lest the anger of supervising authorities may lead to voluntary liquidation. The fact is that the sense of civic responsibility, the desire for joint effort, the spirit of self-assertion and rural leadership have not developed to such an extent as to fit in with the co-operative structure which demands the earnestness and the capacity of the middleman trader from all the members. The stimulus of efficient service in the individual is in the profits he may derive. When this is not present, every man's business becomes no man's business. It demands more than ordinary intelligence for an average man to have that enlightened selfishness to believe that at a far-off time his working for the society will benefit him individually, too. Thus when the co-operative structure refuses to work in the democratic sense and is worked by a few, number of difficulties creep up in their management. In the absence of control by the general body, the ingenuity of the departmental officers is utilised in inventing checks and counter-checks, creating new registers with additional columns of information while all these methods are evaded with equal if not more ingenuity by some rural Panchayats. What is the way out ?

#### THE MOVEMENT, A PEOPLE'S MOVEMENT.

The movement should become a mass movement. The sense of confidence, the spirit of working for common endeavours, the freshness of mind to gather new facts and a moral courage to change rural leaders, if they go astray, should be implanted in the rural mind. A larger programme of adult education should be undertaken. The movement should extricate itself from its bourgeois quality and be made a real mass movement. Agricultural and urban labour should be organised to get its proper wages for the work, their slender resources should be conserved by freeing them from the dependence on the retail trader. The very fact that the capitalists have thrown obstacles in the way of the movement is itself an indication that it is considered more as a social



service than the evolution of an industrial and agricultural democracy. We have no large farming societies of Labour as those in Italy. The Stores movement has not spread among the labour population. We cannot boast of any co-operative programme. The movement is a bourgeois movement. The best men are not in it. The energies of the Nationalists are being devoted now to free the country from foreign domination. The political issue has clouded the economic issue. Mahatma Gandhi has a constructive programme, but is intended to unite the country for throwing off the foreign yoke. There are among the politicians a larger number of people who are interested in the welfare of labour and unless and until the country divides on this question of capital vs. labour, it will be very difficult to get an impetus for the movement. It is no doubt true that the problems of social reconstruction are never ending and more difficult than the attainment of political freedom. But the country is in no mood to scatter its energies on diverse questions. Consequently, the National Press in India has not given that attention to Labour questions which they deserve. The rural side requires a very large programme of educational work. We want our local unions to grow into the Farm Bureaus of America, we want to organise Boys' and Girls' Clubs, appoint country agricultural agents and spread agricultural propaganda. We want rural Libraries to be formed. Social Reform which will bring the communities together is an urgent need. Certain districts need Tenancy legislation. A new propaganda has to be undertaken inculcating in the farmer's mind a secular out-look. He needs to be told of what the farmer does in America, Canada, in Germany and Denmark, Finland and Ireland. A new spirit has to be generated. New workers have to be discovered. The co-operative movement has to be made a mass movement.



# **CO-OPERATIVE SOCIETIES IN BOMBAY.**

## **REVISION OF EXISTING LAWS.**

The text of a Bill to consolidate and amend the law relating to co-operative societies in the Presidency of Bombay to be introduced at the next session of the Legislative Council is published of the Bill are stated as follows :—

The progress and development of the co-operative movement since 1912 when the existing Act was passed, has made it necessary to revise the law under which co-operative societies work. Several points for amendment have been brought to notice by various co-operative conferences and by the Central Co-operative Institute and other co-operative bodies and non-official gentlemen interested in the movement. Co-operation is now a transferred subject and as such falls within the scope of the provincial legislature.

The bill in particular makes provision for the following matters :—

(1) A distinct classification of the various societies whose objects, finance, and methods of working are different.

(2) Introduction of a clear cut system of winding up, liquidation and dissolution of societies on the analogy of the Indian Companies Act, 1913.

(3) Provisions desired by a majority of co-operators in this Presidency for the summary recovery of dues in arbitration cases through the revenue authorities.

Opportunity has been taken of carefully revising and re-arranging the sections in the existing Act.



## THE CO-OPERATIVE MOVEMENT IN INDIA

"TO THE EDITOR OF "CAPITAL."

DEAR SIR,—A few years ago nodding like Homer one fine day the Editor of "Capital" complained that at the rate at which Co-operative Societies were being organised it would take more than a century to bring co-operative credit home to all who need it in this country. The Registrar of Co-operative Societies, Bengal, in an article in the Bengal, Bihar and Orissa Co-operative Journal, pointed out the fallacy of the argument used by the Editor of "Capital," who thereupon generously admitted the mistake. In the issue of "Capital" of 17th April a writer "S. G. W.", repeats the error, and it is desirable to correct it. The tenants of Government land in the Bombay Presidency, he says, require at least 2 crores of rupees in loans every year. At the present rate at which loans are made these tenants are obtaining from the movement little more than two-fifths of what they require. Even supposing that they got the full amount of loans they require, continues "S. G. W.", this is the result of 16 years past enthusiastic working. "And ten times the work remains to be done, which means roughly that about 150 years will be required of full working before the co-operative movement can hope to wipe (*sic*) the indebtedness of the ryots of the Bombay Presidency."

The co-operative movement will probably never wipe out agricultural indebtedness, but that is another matter. The error "S. G. W." repeats is the error of thinking that the co-operative movement is an arithmetical progression, whereas it is a geometrical progression. In 1917 the co-operative movement in Bengal could show less than 3,000 societies after 13 years of enthusiastic work. Less than five years later there were over 6,000 societies and to-day there must be about 9,000.

If "S. G. W." had consulted the Government of India statistics he would have found that in 1910 the average number of societies in India for the preceding four years was 1,926; in 1915 the



average number was 11,788 ; in 1920 the average number was 28,477. Further, in 1919-20 the actual number of societies was 40,772 and in 1920-21 it was 47,503. In the isolation from which this is being written later figures are not available, but they will tell the same tale.

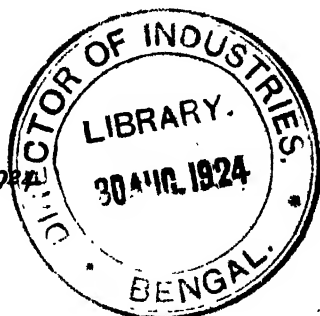
Had "S. G. W." been writing in 1910 he might, using the same argument, have held that as 6 years of enthusiastic labour had produced only, say, 3,000 societies, therefore it would take another 100 years to produce 50,000 societies. In fact, however, it has taken only 11 years to do so. And these 11 years included four years of war. The extent of "S. G. W.'s' error in his present statement is probaly greater then it would have been in the statement which he would have made in 1910, and the existence of statistics makes the error less pardonable.

It only remains to point out that the working capital multiplies even more rapidly than the number of societies. Thus the avarage capital of the societies in India for the four years preceding 1910 was 63 lakhs ; for the four years preceding 1915 it was 548 lakhs ; for the four years preceding 1920 it was 1,518 lakhs ; while the actual capital for 1919-20 was 2,140 laks and for 1920-21 it was 2,643 lakhs. Taking the figure of 64 lakhs as having been reached in 1908 after four years of enthusiastic work and assuming an arithmetical progression the movement would have taken 150 years or so to reach a capital of 2,643 lakhs. In fact it has reached that capital in 12 or 13 years.

Your faithfully,

A CO-OPERATOR.

Darjeeling,  
The 19th April, 1924





## **INTERNATIONAL CO OPERATORS' DAY**

### **1924.**

The Bengal Co-operative Organisation Society celebrated the International Co-operators' Day 1924 with great enthusiasm and in a befitting manner on Saturday, the 5th July last in the Overtoun Hall. The Hall was packed to its utmost several distinguished visitors being present. Co-operators' Day flags and special leaflets were freely distributed. Mr. M. Thorp, I.C.S., President of the Society proposed Sir P. C. Roy to the chair which was duly seconded by Rai Bahadur Dr. C. L. Bose, C. I. E in suitable words. The President was then garlanded and the proceedings began with an opening song sung in chorus by the Gholia Co-operative Anti-malaria Society volunteers. At the request of the President Mr. A. K. Bose, Hony. Asst. Secretary of the B. C. O. Society read out the following message specially prepared and graciously sent by His Excellency the Governor of Bengal. The message was received with genuine enthusiasm amidst acclamation.

### **GOVERNOR'S MESSAGE.**

**Government House,  
Calcutta,**

*The 5th July, 1924.*

To-day being Co-operator's Day, I desire to send a message of hope and encouragement to all those who are actively interested in the Co-operative movement in this Province. I understand that the anniversary was



instituted last year as a means of demonstrating the strength of the International Co-operative movement and of promoting its growth and extension. In Bengal during the last ten years the movement has made enormous strides and has a fine record of moral and material progress behind it. It has tided over many of the dangers and difficulties inherent in the experimental stage and can now expand with renewed vigour so as to embrace the various activities of life in which co-operation can play a useful and important part. I desire to assure you all of my sympathy with the movement which I believe to be capable of the greatest benefit to the people of this Province and to all mankind. I hope and trust that during the coming year the Co-operators in Bengal may enjoy increased prosperity and happiness.

Sd/— LYTTON

*Governor of Bengal.*

The Hon'ble A. K. Ghuznavi the Minister in charge of the Dept. also sent the following kind message which was also read out at the request of the President, by Mr. A. K. Bose, amidst cheers.

#### **Minister's Message.**

On the occasion of the celebration of the second anniversary of Co-operators' Day I send my cordial greetings to the co-operators of Bengal and I hope that their efforts will be crowned with success and that as a result co-operation will, before long, be writ large over our land in every undertaking—in agriculture, in industries as well as in the sphere of public health.

Sd, A. K. GHUZNAVI.

Rai R. M. Lahiri Bahadur, Hony. Secretary of the B. C. O. Society welcomed the guests in suitable



words and briefly described the useful work which the B. C. O. Society is doing and exhorted the audience to come under the banner of Co-operation.

Prof. P. Mookerji then briefly explained the object and significance of the international Co-operators Day. Dr. H. W. B. Moreno, M.L.C. and Babu S. N. Mitra then addressed the audience dealing with the benefits and immense possibilities of the Co-operative movement—a movement which has already made considerable progress in every part of the world. Dr. Moreno rightly observed that the co-operative system was a panacea for all the crying needs of our country and that under the banner of co-operation, men of all shades of opinion and of all classes could meet on a common platform for common service to the whole country.

### **Presidential address.**

Sir P. C. Roy then rose amidst cheers and spoke in his usual impressive and homely style on the great need of the application of Co-operative principles in this country in the present state of her degeneration and decay. To be self-supporting and to be able to dispense with help at every stage from the Paternal (*Ma-bap*) Govt., Co-operation was the only way. The Indians were accustomed to look upon the Govt. for help in all their nation-building activities. This was a national weakness. Co-operation was the only remedy which could remove this weakness and make people self-reliant. In order to be true non-co-operators, the people had first to be co-operators among themselves and the less they could depend upon the 'Paternal' Govt. the better were their prospects. Non-co-operation did not mean that they should sit tight with folded arms, that the students should give up studies and sit idle



at home, while their elders would work to provide them with food and clothing. They must learn to be self-dependent and co-operation was essentially a movement based on self-help. The President then cited instances of Ireland, Denmark and other countries in Europe which had been able to make tremendous strides in the economic sphere by applying the principles of co-operation in their national economic life. He remarked that Bengalees had gone to the walls in the commercial field and they were wasting their brains and intellect in hankering after services. They would do well to start business on co-operative basis which would train them in business lines so that they might afterwards successfully organise large limited companies to increase national wealth. The President also observed that very useful work is being done by Co-operative Anti-malaria societies and Co-operative Irrigation societies.

Rai A. C. Banerjee Bahadur, M. L. C. proposed a vote of thanks to the chair which was carried with acclamation. He observed that he profited much by having come to the meeting.

Among those present we noticed Mr. G. S. Dutt, I. C. S, Mr. M. Thorp, I. C. S, Sir, D. P. Sarbadhikari, Mr. S. N. Mallik, Rai. Bahadur Dr. C. L. Bose, C. I. E, Rai Bahadur Dr. Gopal Chandra Chatterjee, M.B., Rai Bahadur M. N. Bose, Rai Bahadur R. M. Lahiri, Prof. P. Mukherji, Dr. H. W. B. Moreno, M.L.C. Mr. I. B. Sen, Bar-at-law, Mr. S. K. Ganguly and others.

After the speeches were over the guests were entertained with magic performance by Prof. Gupta and by cinema show by the Public Health Dept.

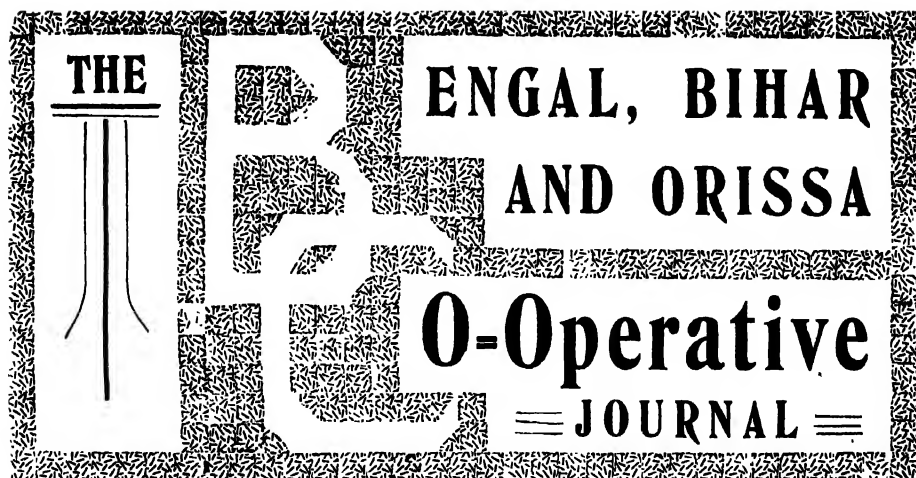
The meeting terminated at 9. 15 p.m,



## CORRECTION:

*Pages 17, 18, 19, 20, 21, 22, 23, and 24 have been misprinted as Pages, 359, 360, 361, 362, 363, 364, 365, and 366.*





**Vol. X**

**OCTOBER 1924**

**No. II**

### **NOTES AND NEWS.**

The Report of the working of Co-operative Societies in Madras is a record of satisfactory progress in general. The rate of expansion is rapid enough and above a thousand new societies were registered this year. The expansion of share capital, reserve and deposits was noteworthy and is a matter for congratulation. Some new departures might be noted in the way of co-operative activities. Permission was given to deposit with co-operative banks the surplus funds of local boards and municipalities &c. The result has been greatly to increase the financial resources and to cause a veritable embarrassment of riches. There was a persistent surplus in some of the central banks and the rate of interest charged by these institutions has been lowered in the hope that the surplus will be ultimately absorbed. Another promising development is the formation of building societies financed by loans from the Government. It is anticipated confi-



dently that such societies when they start working will achieve success.

The success of Labour unions and societies has been of a gratifying character. The lines of their activity have been numerous e.g., wood-cutting, fishing, salt-loading, road-repairing &c. Rights of fishing and government contracts for road repairing have been granted to these bodies. Those who are interested in the spread of supervising unions will note the rapid growth of such bodies in Madras where they now number 247 including the federations of such unions. The healthy condition of the supervision fund also deserves to be noted—Rs. 1,56,374 having been expended out of it during the year leaving a balance of Rs. 1,10,059 at the close.

Less satisfactory seems the increase all round in the overdues during the year. The Registrar, however, gave an adequate explanation of the increase. In the first place, there is no means at present of meeting the agriculturists' demand for long-term loans; hence the ryot who wants money for several years has to take a loan for a short term and cannot repay it in time. In the second place the overdues represent the accumulated effect of a long series of bad years especially in the ceded districts as well as in the Carnatic. Other contributory factors are the delays in obtaining the execution of decrees through Civil Courts and the long overdue increase of the Co-operative staff.



Coming to another difficult topic, the Registrar frankly admits that it is difficult to organise successful weavers' societies and that there has been continued deterioration in the weavers' societies. He, however, traces the source of this weakness—the inability of a society with little capital or credit to provide itself with the services of a man of sufficient business knowledge and experience of the market in yarn, dye and cloth. He proposes to meet this shortcoming by organizing the weavers into unions large enough to provide the necessary pay for a qualified man. Such difficulties are not confined to weavers' societies. The majority of agricultural trading societies have worked at a loss and the figures both for sales of goods to members and for purchase of members' products showed an appreciable fall on those of the previous year. As the Registrar observes the ryots have generally not learnt fully to appreciate the value and potentialities of such societies. Upto the present, he adds, no satisfactory system of joint sales has been instituted; but attempts are now being made on different lines.

We offer no apologies for reproducing some valuable remarks of our living Co-operative classic, Mr. Wolff, on the proper objective of the Co-operative press and the Co-operative movement in India which he addressed to our esteemed contemporary *the Madras Bulletin of Co-operation*. "The Co-operative press in India," he observes, "has still much necessary and useful work to perform. Under the spell of Co-operation, India has become a little excited and scatter-brained. People go to see what is done elsewhere and to show that they have been there, write glowing accounts



of results achieved and urge compatriots to do likewise, without in the least considering the difference of circumstances. You can as little produce the results of Manchester and Glasgow in low-standard-of-life countries—like India—as you can grow rice or tea or cocoanuts in England.”? Mr. Wolff would have us in India not neglect any form of Co-operation and give a proper trial to all varieties each of which is no doubt excellent in its way. But no doubt after proper experiments India will hit upon those particular forms of Co-operation for which our local soil is best adapted. Mr. Wolff draws attention pointedly to the example of Luzzatti who learnt his first lessons of Co-operation in Germany but who to his great credit refused to follow slavishly in the wake of German Co-operative methods and procedure. He had not simply copied a foreign institution but created a specifically Italian form of Co-operation. India has now run through an apprenticeship of sufficient duration and special attainments to be in a position to build up a Co-operative system stamped with its own national character.

The sixth Report of the Bombay Central Co-operative Institute which we have received is as usually an instructive document and bears witness to the many-sided activities of the Institute. There is, to take an example, the educative side of its work. There are annual English Training Classes and Continuation Classes in Bombay for intensive studies on Co-operation. There are lectures on banking, Co-operative housing, Consumers' Co-operation and Producers' Co-operation. One of the feudatory princes of Bombay has proved his interest in the work by attending one of the classes.



Then there are the numerous night schools run by the Institute in order to promote literacy among villagers ; the villagers are also assisted by continuation classes as well as by assistance in starting libraries. This movement has been assisted by the executors of the late Sir Vithaldas Thackersey with funds. The Institute intends to assist the movement by starting supervising Unions and by guiding and instructing them. It will co-operate with the Government through its propaganda officers in reducing overdues where such overdues are large and will share the expenses of the movement. The Institute has undertaken the task of providing an Institute building and funds are being collected all over the Presidency for this object and each district will contribute its quota to the three and a half lacs of rupees required for the purposes. The Institute has started branches in Maharastra, Karnatak, and Sind which are also showing fruitful activities in the shape of organising courses of lectures, taluka conferences and in many cases supervision, inspection and guidance for societies. We offer our sincere congratulations to the Institute for its success in such manysided activities, and hope that Bengal will follow the example.

In the latest issue of the *Bombay Co-operative Quarterly* there is an article by Mr. J. A. Madan on the Co-operative movement in Alsace and Lorraine which is a tribute to the success of the Raiffeisen system which has been working there without receiving or asking any help from the State. When the movement was initiated Alsace and Lorraine was the happy hunting ground



of Jewish *Sarkars* and *Mahajans*. Co-operation rendered these provinces independent of the assistance of these Jews while the societies and central banks collected such large surplus funds that they have to be invested outside the movement. When the provinces were retrieved by France, the French system of state-aid was introduced there and it was at first expected that the local peasants would jump at the offer of recurring Government money at cheap rates for agricultural purposes. But the expectation was disappointed. The local co-operators represented that the state-aid would lead to discord in the ranks of the borrowers, would introduce competition for the cheap money and would endanger the existence of the organisation which had done so much for the provinces. It was added that the credit societies had encouraged savings and thrift which would diminish with the temptation to avail themselves of Government resources. It is a noble lesson in the virtues of self-help and self-control.

In the last issue of the Journal we published an extract from the "Englishman" entitled "Work of the Societies: poor outlook"; in it there is some mention about defalcation in the Kushtia and Kalimpong Central Banks. It was wrong to have mentioned the name of Kalimpong in this connection, and we regret if any misunderstandings may have arisen on account of our publication of the extract from the "Englishman."





## **GOPALGANJ CENTRAL CO-OPERATIVE BANK BUILDING.**

—:0:—

**H. E. the Governor lays the Foundation Stone.**

*(In requesting His Excellency to lay the Foundation Stone, the S. D. O. Gopalganj, spoke as follows :—)*

**YOUR EXCELLENCY,**

It is a proud privilege to me this afternoon to approach Your Excellency once again with a request to lay the foundation of yet another building—building of the Co-operative Central Bank of Gopalganj.

Before the creation of this subdivision there was no Co-operative movement in this part of the District. Through the exertions of the first Sub-divisional officer, the first Co-operative Society was started at Gopalganj itself in the form of an Urban Bank in 1909, and 4 rural societies were organised and started the following year. During the next two years the Co-operative movement here had to encounter a fierce opposition and open hostilities from the interested money-lenders. But the splendid working of the first 5 Societies disarmed all oppositions and a change came upon the public mind so much so that in course of the year 1913 as many as 37 Societies were organised and registered, and the need of a Central Bank for financing and supervising the rural societies was felt. Thanks to the promptitude of the Registrar of Co-operative Societies, this Central Bank was registered and started that very year, with a capital of Rs. 70,000/-. Moulvi Abdul



Quader, who was an honorary organiser of the Co-operative Department, was appointed Honorary Secretary of the Central Bank. In course of the two following years 1914 and 1915, 59 new societies came into being, making a total of 100 societies in all, with a working capital of about 2 lakhs. At this time the services of a whole time Secretary were deemed necessary ; and in January, 1916, the pay of the post was fixed at Rs. 100 to Rs. 150/-, and Moulvi Abdul Quader, the life and soul of the Co-operative movement, was confirmed as Secretary.

In course of the years 1917 and 1918, and upto September of the fateful year 1919, the Co-operative movement made a steady progress and the working capital of the Central Bank increased to Rs. 2, 10, 146/-, and it had in all 118 societies. On the 24th September however, this Sub-division along with the rest of Eastern Bengal was devastated by a terrible cyclone, a fact which is now a matter of History. Despite the liberal distribution of Agricultural loans and gratuitous relief by Government, this Central Bank had to lend all at once a sum of Rs. 80,000/- borrowing about 50,000/- from the Provincial Co-operative Federation. Then came in successive failures of crops in 1920 and 1921 and again in 1922 there was a fearful flood, and along with Government this Central Bank had again to lend money to the members within the movement after making fresh loans from the Provincial Co-operative Bank. The total borrowing from the Provincial Bank thus amounted to Rs 1,40,000/- and for the time being the prospects appeared to be rather gloomy. But the good crops of the last harvest turned the tide. In course of the last collection season over Rs 70,000/- was realised from the rural societies, and the loan from the Provincial Bank was reduced by 50,000/-and the prospects



are again brightening up. The Central Bank has now under its control 135 Societies with a total membership of 4766 and a working capital of Rs 4,77,931—the working capital of the Central Bank itself being Rs 3,40,000/-.

I do not propose to detain Your Excellency referring to the statement of our assets and liabilities. But I should note that the total of the Reserve Fund and Bad Debt Fund now amounts to about Rs 21,000/-. The Bank has now got a staff of 5 Supervisors and 2 clerks besides the Secretary. The Directors are proud of the fact that not a single of its constituent Societies has yet been placed under liquidation and that the Co-operative Department has always favourably commented on the works and activities of the Bank.

So far back as in 1918, a plot of land just adjoining the court compound was purchased for construction of a pucca building for the office which is still located in a rented house, and bricks were made for starting the building. But the Public Works Department advised the Directors of the Central Bank not to proceed with the building operations as the site was to be acquired by Government for improvement of the Subdivisional head quarters, and it was proposed to lease out a plot of land from the lands already acquired. After a good deal of correspondence, Government in the Public works Department has now agreed to lease out 5 *Kuttahs* and 7 *Chattaks* of land on which we stand to-day. The Directors of this Bank, and for the matter of that, the whole of the Co-operative movement here, are grateful for Your Excellency's kindly consenting to mark this gracious visit here by laying the foundation stone of the Central Co-operative Bank, the construction of which has long been overdue.



Now, on behalf of the Co-operative movement, I request Your Excellency to lay the first stone of this temple of Co-operation, and I crave Your Excellency's blessing that a true spirit of co-operation may animate us and guide us within its walls and that a truer spirit of co-operation may emanate from its doors to help the growth of a happy, peaceful and contented peasantry—the one ideal which we have been striving to attain.

KALIPADA MITRA

*S. D. O. Gopalganj (Faridpure.)*



## **THE HOUSING PROBLEM IN CALCUTTA—WHAT CO-OPERATION CAN DO TO SOLVE THE PROBLEM.**

(MR. A. K. BOSE, LATE OF CO-OPERATIVE COLLEGE, MANCHESTER)  
(*Inspector, Co-operative Societies, Calcutta.*)

We have assembled here to-night to make a serious effort to solve a difficult problem in a practical way. The Housing question in this Premier City in India has been engaging the attention of both the Govt. and the people since some years past and the matter is growing more and more acute every year. It is in fact one of the biggest problems that threaten the civilisation of this city. We read in the papers the distress and difficulties through which the Anglo-Indian Community is passing for want of suitable housing accommodation. We feel the sense of helplessness that has seized persons of moderate means of our own community for seeing no prospect of securing a suitable shelter to put their heads in. We cannot blind ourselves to the fact that there are a large number of families of our own community who have to crowd together in single rooms to the detriment of their health and morals. We know people who have to drag on their weary lives in "low, damp, smoky, smelly, insanitary rooms", suffering permanently in health and energy, which render them useless to the society they live in. And we read in the Calcutta Housing and Communications committees' report that "These poverty-stricken conditions, with their disastrous effects on health and morals offer one of the most distressing social problems in Calcutta." This is the problem which this city is faced with. It is not the lack of



houses it is the cost of living in them that forms the topic, until "one is almost tempted to wish that one was an inhabitant of one of those Lotus Isles where a carpet of leaves under-neath a spreading palm met every need for protection against weather."

The Housing problem is not a problem peculiar to this city alone. The same problem faced other big cities in this world sometime or other and they applied remedies suited to their local conditions. In England the problem is being tackled by the Building Guilds, the International Garden Cities and Town-planning Association, The Co-operative Permanent Building Society, Public Utility Societies and Housing Trusts, and lastly by local municipalities.

In Germany provisions for dwellings for the working classes are made by 1. Private enterprise, 2. Public Utility Societies, 3. Direct provision for houses by local authorities and 4. Co-operative organisations.

A Public Utility Society in England is defined as a society registered under the Industrial and Provident Societies' Act 1893-1913, the rules whereof prohibit the payment of any interest or dividend at a rate exceeding 6% per annum. These societies are formed mainly for the housing of the working classes in England.

A Public Utility society must consist of 7 persons at least with a secretary and application for registration must be made to the Registrar of Friendly societies. 'The registration of a society renders it a body corporate with perpetual succession and common seal and with limited liability.'

A local authority or County Council with the approval of the Ministry of Health, may,

- (a). Make grants or loans to the society.
- (b). Subscribe for any share or loan capital of the society, or,



(c). Guarantee or join in guaranteeing the payment of interest or money borrowed by the society, or of any share or loan capital issued by the society, on such terms and conditions as to the rate of interest or repayments or otherwise and on such security as the Local Govt, or County Council think fit.

The County council may on the application of the society acquire the land and sell or lease it to the society.

The Public Works Loan Commissioners are also empowered to make loans to P. U. Societies for a period of forty years upto  $2/3$  rds of the value (net cost) of the land or houses to be mortgaged. Under the Act of 1919 the maximum period is extended to 50 years and loans may be made upto 75% of the cost of the land or houses. Advances of loan may be made by instalments as the building progresses.

In addition to the loan an annual subsidy may be paid by the Minister of Health to the P. U. Society during a maximum period of fifty years. The subsidy will be calculated as a proportion of the loan charges (including interest and the payments for the redemption of principal) on the whole of the capital borrowed under the approved scheme.

The State subsidy is an emergency measure due to the temporary disturbance of normal economic conditions, and it is not contemplated that, Housing should permanently be placed on a subsidised footing. The intention of the subsidy is to encourage building during the present emergency period by placing the societies who build during this period in a not less favourable position than those, who defer building until more normal conditions are established. Accordingly the subsidy is available only for those who commence building forthwith. The site, lay out, house-plans and cost of the



scheme will be subject to the approval of the Minister. Professional charges must not exceed 5% of the total capital expenditure. The rents will be subject to the approval of the Ministry.

The objects of the society must include the provision of houses for the working classes and, it is only the provision of working class houses which will rank for Government Subsidy. There is no statutory definition of the 'Working classes' which is applicable to Housing by P. U. Societies, and it is intended that this term should be generously interpreted. Certain types of houses have, however, come to be regarded by accepted usage as working-class houses.

Societies may be formed for 'acquiring large empty houses and converting them into flats for the working classes. The formation of P. U. Societies also affords an opportunity for model housing on Garden City lines.

Financial assistance may also be given to Housing Trusts in the nature of an annual subsidy on the same terms as in the case of P. U. Societies. A Housing Trust is defined as, a Corporation or Body of persons which, by the terms of its constituent instruments, is required to devote the whole of its funds including any surplus which may arise from its operations, to the provision of houses for persons, the majority of whom are, in fact, members of the working classes and to other purposes incidental there-to.

A P. U. Society offers each tenant undisturbed occupancy of his house and garden so long as :—

1. He fulfils the tenancy regulations made by the Board of Management.

2. He pays any rents or debts due from him to the society.



3. He and the occupants avoid any conduct detrimental to good neighbour-ship.

In England many co-operative societies have invested a large portion of their funds in house-property, while others have adopted schemes for advancing sums of money to their members for the purpose of purchasing the houses in which they live. The Co-operative Wholesale Society has assisted in the development of this scheme of house-purchase by advancing to societies sums of money to be used specifically for this purpose.

Differences of opinion exist among co-operators regarding the merits of any scheme which permits houses to be owned by individual. Some co-operators contend that houses should be collectively owned and that to encourage individuals to purchase houses is to encourage a form of private ownership which is undesirable and anti-co-operative in nature. Others contend that there is little difference in principle between a man owning his own furniture and the house in which it is used, that a man takes more care of a house if it is his own than if he is only a tenant, that the desire to purchase a house encourages a man to thrift, and that expenses of management and supervision is saved if the tenant of a house is also the owner. We, however, do not see any danger to co-operative principles if a tenant owns the house in which he lives and does not also become the owner of houses in which other people live. If he becomes a house-owner for profit and not for use, there is a danger that co-operative principles may be transgressed. The Co-operative Survey Committee are of opinion that special Co-operative Housing Societies on the lines of the Copartnership Tenant Societies provide the form of organisation which is best suited for developing



housing under the auspices of the co-operative movement. In these societies the houses are collectively owned by the society, and the tenants, by becoming members of the society, share in the general management of the houses and the estate, upon which they are built. Any surplus realised from the society's operations after making the usual necessary allowances for depreciation &c. is allocated to the tenant members in proportion to their rent. At the same time the Survey Committee remarked: "In our opinion the housing and over-crowding problem in our towns is too big to be solved by any voluntary organisation and the solution requires to be attempted by the State and Municipalities with compulsory powers for the acquisition and demolition of houses in over-crowded areas and the re-settlement of dis-housed tenants in better houses in some scheme of town-planning, which would prevent over-crowding."

The English Housing Act (3) of 1923 provides for Govt. subsidy of £6 per house payable annually for a period of 20 years. It is to be paid through the local authority who may arrange variable terms of payments, whether a capitalised sum, or annual instalments with those who carry out the actual building. The local authority is competent to augment the State subsidy and several municipalities have offered to do so. In addition to lump-sum-grants allowable under the 1923 Act, provision is made for advancing by way of loan an amount not exceeding 90% of the value of the houses proposed to be erected, or by guaranteeing Building Societies repayment of any sum up to the limit mentioned, advanced by them to their members. The advance may be made to persons also receiving the subsidy. Loans are to be made against the *value* not the *cost* of the property—one of the wise provisions of



the Act. According to Sir Charles Ruthin Director General of Housing at the Ministry of Health this new Act is working well.

The other day in the House of Commons Mr. J. Wheatley (Minister of Health) stated that under the Housing Act of 1923 altogether 8197 houses have been completed, 32685 houses are under construction and 39033 houses are under contracts or certificates. The majority of houses were being built for sale,

“Govt.’s Housing Policy :—Subsidy for 40 years—

An important item in the Govt.’s Housing Policy is contained in the Circular issued by the Ministry of Health to the Local authorities announcing the agreement reached at the recent Housing Conference which provides a subsidy of 13 Pounds 10 Shillings annually for each house for a period of 40 years, the Govt. providing  $\frac{2}{3}$  rds, and the local authority the remaining third. It is also stipulated that rents shall be at pre-war rates.”

The P. U. Societies for Housing in Germany are run on the same general lines as those in England, but are more elastic and more freely organised. A device adopted in some cases is to form a separate society for finance, with a strong security and Directors of high standing, so that, money can be cheaply and readily obtained. Secondary societies are then formed for building being financed by the parent society.

Municipalities and other societies in Germany, have generally acted through P. U. Societies, in preference to building themselves. They have assisted by lending money : by providing security for money lent, or for the interest on it, by giving land at a low price : by allowing special reduction in rates or in the



cost of making streets or laying sewars. In a few cases municipalities have provided a large part even of the share-capital, and have appointed the majority of directors—the society becoming, in fact, a specialized form of municipal activity with more freedom of action.

During the war Housing had become too vast and too difficult a problem, and the Imperial Govt. undertook to set aside £25000000 for Housing. This sum was to be used in making loans, affording guarantees, and paying subsidies. A condition of any subsidy was that, an equal amount should be paid by the State or the local authority or the two together. The subsidy could be made in respect of buildings either by the local authorities themselves, by P. U. Societies, or under safeguards which were laid down, by private builders. They were not confined to working class buildings, but extended to middle class houses.

The Housing problem in Germany is mainly one of providing sufficient and suitable dwellings for the lower middle-class and working classes. Shortage of dwellings have contributed to the stereotyping of the tenement as the normal dwelling of the poor. The average tenement block is a seven-storeyed structure, based on an under-ground dwelling, and terminating in a dwelling in the attic storey: no yards or garden are attached to these tenements.

The question whether the continued erection of the large tenement block, is the more practical solution of the housing scarcity, has been a debatable subject of recent years. Some writers maintain that there is a decided demand for tenement dwellings which should not be ignored. Tenements of moderate size is perhaps the likely solution.



In Germany the P. U. Societies which are corporate bodies, are formed in various ways : either as limited liability societies, share companies, registered building societies, or ordinary commercial companies. The registered building societies confined their activities to building houses for members only, the other bodies build for the general public, irrespective of membership.

The activities of these bodies were generally intended to supplement not to supersede those of private builders. In the early days of their existence Building Societies aimed, chiefly at providing small houses which their members could purchase on the instalment system.

Engel considered it impossible for the building societies to pursue their plan of putting up one or two-family houses in large towns. The majority would rather live in a tenement dwelling in the middle of the town than in a small separate house in the Suburbs.

Schmoller thinks that the main point to be aimed at by housing reformers is to increase the number of dwellings.

In later years the Building societies seem to have adopted the plan of erecting tenement blocks of moderate size, containing a number of dwellings. They do not sell these houses but hold them and let them.

Dr. Alberecht considers that, a small house with a garden attached was an ideal which under existing conditions could not be realized for the great majority of people in large towns.

Dr. Steinitz expresses the opinion that building societies must, for the present, cease to strain after the impossible ideal of, providing small one-family dwellings for workmen.

The P. U. Societies have demonstrated that the building of workmen's dwellings can be carried out at



a fair profit and they have helped to reduce rents in the districts in which they have been most active.

**Garden-City Movement:** The general principles advocated by this movement are (a) limitation of dividend to say 4 p. c. (b) co-operative or communal ownership of land and houses. (c) leases of dwelling houses usually on the co-partnership system. And (d) where land is sold for building, right of re-purchase by the society. These societies have received considerable support from provincial govts. and Municipalities either by the sale of land at low rates or by leases, or by loans on first and second mortgages, sometimes free of interest for a portion of the period, or by special terms as by taxation. There are some 32 such societies in Germany.

It is the exception rather than the rule to find, Municipalities undertaking direct provision of houses. The method usually adopted is to supply capital for the purpose and to leave the actual provision of the houses to building societies acting, on behalf of the persons who are to occupy the houses.

Many Municipal authorities assist building organisations by giving, collateral security for mortgage loans obtained from other sources. The Imperial Govt. of Germany also afforded the collateral security of Imperial Funds under prescribed conditions, to loans advanced from other sources.

The Imperial Govt of Germany also provide Imperial Housing Grants to be used in 3 ways: (1) Grants to building enterprises (both public utility and private) to make up the loss entailed in building under the abnormal conditions which may be expected to prevail during the first three years of peace. 2. Loans for providing dwelling houses. And 3. Guarantees of loans made by other Bodies.



The Co-operative House-building Organisations in Germany, are empowered to issue Bonds, which are recognised as Trustee Securities. "The secret of success" says Dr. W. Leskie "is that the Bonds issued shall be recognised as Trustee Securities, and that some public authority shall provide collateral security."

The difficulty of obtaining land in the vicinity of large towns was sought to be solved in Germany by forming a Federation of land reformers whose programme included, the taxation of land according to its value, the more general adoption of lease-hold system, the acquiring of land by Municipalities, the extension of their expropriation rights, and the giving up of Govt. lands for building purposes.

In January 1918, the Prussian Finance Minister announced that Govt. land would be allotted to Municipalities at a low price, and that in granting land Govt. would consider social rather than fiscal ends.

The land reformers realized the importance of municipally-owned lands for housing the people, and through their efforts many of the municipalities in the beginning of the 20th. century, began a systematic policy of land purchase. The Prussian Govt. lent its support to this movement.

All over the world Housing and Building societies are making very good progress. There are some 3476 such societies in Germany, 226 in Switzerland: the Co-operative Building Guild in Palastine is doing very useful work. Australia has also taken up co-operative Housing Schemes, and in Czecho-Slovakia the number of Building and Housing societies increased from 21 to 496 in 5 years. The essential features in the organisation of most of the societies in Denmark is that the members take a share and contribute a sum equivalent to the amount of a year's rent. They are jointly and



separately liable for the liabilities of their section up to an amount not exceeding the share and the contribution. The society pays interest at the rate of 4% on the latter. The members pay an annual rent corresponding to the expenses of the society. Forty of the Danish Building Societies including the largest of them, have formed a Federation for common purchases. The Building societies have built altogether about 7000 dwellings.

*(The Mysore Economic Journal, Feby. 1924.)*

I will now discuss the growth and progress of co-operative housing schemes in Bombay. The movement originated with Rao Bahadur Talmaki Hony. Secretary. Central Co-operative Institute of Bombay. The first society without any particular assistance by way of Government loan, has been able to erect on the co-partnership Tenancy system "an extremely well-planned and admirably well-managed colony, consisting of two large blocks divided into tenements suitable for the poorer professional class families.

The Government of Bombay with the Central Government's permission set aside a sum of five Lakhs a year, to be given as loans to societies registered under the co-operative societies Act, whose plans and estimates had obtained the approval of the appropriate Government officer.

The Development Directorate of Bombay working with conspicuous ability and energy was able to secure suitable building sites for the use of Co-operative Housing Societies. The Bombay City Improvement Trust also come to treat the co-operative housing societies with considerable leniency and sympathy. "Thus the difficulty of obtaining suitable building sites seems to have been solved in Bombay."



There are at present 36 Co-operative Housing societies in the Bombay Presidency. A society at Ahmednagar composed entirely of poor Christians obtained a small loan from Government and commenced raising tenements suitable for their class and income. The Bombay Catholic Co-partnership society helped by a substantial loan of about Three Lakhs from Government, has already raised a satisfactory settlement in a Suburb recently reclaimed, on the fore-shore of the Island. Two societies in Dharwar have commenced building operations without any loans from Government.

In all, about Ten Lakhs have already been given as loans to Housing societies, and further provision for substantial loan have been made. As Mr. Otto Rothfeld I. C. S. writes, "The Bombay Government is fully alive to the financial responsibilities which it is incurring by its policy of encouraging such societies and steps are being taken to secure sufficient funds for Co-operative Housing during the next 10 years by measures outside of the annual revenue account.

The system on which loans are granted is one of sanctioning a total loan up to  $\frac{3}{4}$ ths of the total estimated cost of settlement,—site value as well as building cost being taken into account. One quarter of the total cost, must therefore, be met out of member's own shares and deposits. Three-quarters is lent by the general tax-payer but the loans are divided into instalments spread, according to plan, over a number of years, and after the first instalment no succeeding instalments are paid until, a certificate is received from the appropriate officer of the Public Works Department to say that, the actual work amounting to one-quarter more than the loan already disbursed, has been satisfactorily performed by the society. The loan is usually settled for re-pay-



ment in 40 years by annual equated instalments, the first instalment falling due three years after the loan has been paid. Interest is slightly lower than the present exorbitant market rate."

The Housing societies in Bombay are almost entirely organised on communal basis, thus securing unselfishness in the working of the society and undisturbed control over individual members by the society as a whole.

In the Bombay City the land on which the blocks of buildings have been erected has been purchased from the Bombay City Improvement Trust at a slight reduction in their scheduled price, 1,456 sq. yds. of land costing Rs. 22000/- or there about. The buildings are three-storeyed and of masonry-walled construction. The length and breadth of each building are 51 feet X 35 ft, and the height 33ft. The size of rooms ranges from 16 X 10 to 11 X 10 and the rent of each flat consisting of hall, varandah, two bed rooms, kitchen, bath-room and lobby is fixed at Rs. 25/- on the ground floor, Rs. 30 on the first floor, and Rs. 33/- on the 2nd floor, exclusive of electric current.

Rao Bahadur S. Talmaki thinks that, Co-operative Housing Societies may be of the nature of land societies, or building and Financing societies or of a mixed type.

The land societies are those in which, a sufficiently big plot of land is purchased by the society and the same is divided into smaller plots for sale or lease to the members. The difficulty of these societies is to obtain land contiguously in the same neighbourhood.

The Building and financing societies may be of two kinds: Temporary or permanent. In temporary or terminating society, the amount collected as share-



capital is distributed periodically among members by lot or agreement. Repayment is by instalments, generally, monthly, spreading over a period of 5 to 10 years, each instalment being payable with its interest. The borrowing member continues to pay his share calls. Members had to take up additional shares as soon as the share or shares previously taken up became fully paid up, and this process had to be continued until all members received the housing advance. When all the repayments of loans had been made or adjusted against the paid up share-amount, the society would distribute profits and break up.

The permanent society allows a succession of investors and borrowers. Number of members is not limited and members may join for investment only. In these societies 4/5ths to 5/6ths of the total cost is advanced to the member, the number being required to find out the balance for himself, this latter sum being considered as the guarantee-capital or the 'Margin of safety'.

But the payment of guarantee-capital caused hard-ship to those who, though possessing no accumulated savings to the extent required, were yet in a position to purchase a house, if allowed to do so, by monthly instalments. The difficulty can only be removed by hire-purchase system, provided, the society has a large command of capital. The society builds the houses for the members, and the property remained the property of the society, until the whole advance became worked off by this process and it would then be conveyed to the member concerned. The hire-purchase system is much in vogue in the co-operative stores in England.

The hard-ship caused to the heirs by the death of a member before full repayment of the loan, was



sought to be removed in some societies, by inducing members to take out a Life Insurance policy for a sum equal to that borrowed by the society, so that, if a member died before the society's loan was fully repaid, the sum realized from the Insurance Company would be available for the purpose, and the house would remain as an un-encumbered property in the hands of the heirs. But this system involves the payment of additional sums by way of insurance premium which many cannot afford to make.

In this connection the device adopted by Mysore is instructive. Members Joining a society have to undertake a personal liability to the extent of the guarantee capital, which is fixed at about Rs. 250/-per member per share. Loans are raised by the society in the first instance on the security of this reserved liability and later on, on the pledge of the houses mortgaged by the borrowing member to the society. The terms of loan from the Central Society are not satisfactory. The period of repayment is not more than 10 years and the rate of interest is not less than 7 or  $7\frac{1}{2}$  % per annum.

**LAND AND FINANCING SOCIETY :** A society of this type purchased land in the first instance, and advanced loans only to those who would build houses on the society's land. Plots were not sold to the members but were assigned to them on long term leases with the stipulation that, the borrowers will conform to the rules of the society, and reserving the right of preemption in case of sale of a house built on the estate.

**THE TENANT CO-PARTNERSHIP SOCIETY:** The main feature of a society of this type is co-ownership of the Property. The houses are built and owned by the society and not individually by the members. Where land is cheap, small detached or semi-detached houses each



to accommodate a single family would be built with independent compounds. Where land is dear self-contained Tenement houses would be resorted to.

Capital is raised in such societies by shares held only by members, and then by permanent Debentures having a floating charge on the Society's property. They are called Loan-Stock and can be held by members as well as by non-members. No period is fixed for the repayment of the amount of these Bonds except that, the failure in the payment of interest in any two consecutive years, entitles the holders to claim the amount at once. The society, however, reserves the right of repaying the amount at any time after giving the stipulated notice. Interest on Loan-Stock is fixed at about 4½ to 5% per annum. If these methods are insufficient the society would raise the requisite amount by ordinary loans and long-term deposits.

Each member is required to hold capital in the society, to the extent of one-third to one-fifth the price of the house he occupies, according as the finances of the society may allow. A fair and reasonable rent is charged to the occupying members, covering, proportionately, all the charges payable by the society. The contribution to repairs fund includes annual as well as periodical repairs.

For the purpose of building up a reserve a sinking fund is created, contribution to which must be so much as will accumulate by compound interest, say, at 3½ to 4 p. c. to a sum equal to the cost of the bonds, before the end of their estimated life. Thus if the houses are expected to last 100 years the amount is calculated on 80 years basis. The sinking fund increases the soundness and security of investments in the society.



## ADVANTAGES of TENANT CO-PARTNERSHIP :

One great advantage is that, the guarantee-capital is allowed to be paid by instalments and since the members are not required to pay more than this for their houses, the tenantship of the society is brought within the reach of a wider circle of people. The position of a member is in no way worse than an owner. Any surplus profit is utilized for his benefit, in common with other members, or paid back to him as bonus on rent. Instead of owning a house individually, he owns here a definite money-value in the shape of shares or stock as the joint-owner of the society's whole property. A member's holding in the society is treated as an investment, on which he receives interest, whether he resides in the society's buildings or not. That holding does not depreciate but may appreciate with lapse of time and can be changed into cash by transfer, on his ceasing to be a member. A member is at liberty to give up residence in the society's buildings after giving the stipulated notice, and is, therefore, in no way tied to the house. In the event of his death his heirs can elect either to reside in it or to move out and, in the latter case they may leave the investment in the society to continue or may transfer the same without the risk of loss. The member has the advantage of owning, in common, many useful amenities such as play-ground, meeting-hall, club, Institute, Library, Reading room, &c. In India the first Tenant Co-partnership society was started in Bombay in 1915.

The success of Tenant Co-partnership will largely depend upon the certainty of regular enlistment of fresh members to take the place of those who may retire, in view of the freedom enjoyed by members to give up residence, any time they desire, after the ordinary notice,



The March issue of the Bombay Co-operative Quarterly contains editorial note regarding the difficulties through which the Housing societies are now passing in that great city. "The position of Housing societies which have on the one hand to maintain, a standard of accommodation answering all the requirements of the middle class as regards sanitation and comfort, and on the other hand, to keep the rents low and within the means of the class, is, at all times difficult enough, particularly when, they are in competition with private builders. But the plight of societies that were brought into being during the period of over-crowding in the city, and the shortage of housing accommodation during and after the war period, is peculiarly bad. Started at a time when, the congestion of the city was such, as to justify any risks being taken, to secure relief, and when to wait was clearly against the dictates of humanity, these societies pushed thier way through and achieved admirable progress; but hardly had they had any time to strengthen their financial position when they have been faced with a world-wide economic situation over which they have no control, and which seems to threaten their very existence. They commenced building operations when the prices of land and materials were very high, they have borrowed from Govt. at high rate of interest, and they are now unable to pay interest to Govt. and other out-going charges even with the high rents which they are charging and which are already putting a severe strain on the loyalty of members. \* \* \*

The rapid decline in the prices af land and building materials, which has enabled capitalists to compete with the societies most easily, and even to crush them out of existence, has made the future of the societies, precarious and it is under these difficulties that, the societies are appealing to Govt. to grant a very reasonable reduction



in the rate of interest they charge bringing it down to a level with the rate at which Govt. themselves borrow." It is considered that "Should this help be not forth-coming, the societies may not go into liquidation but the inevitable result will be that the lower middle class, unable to pay the high rents necessitated by the financial position of the societies, will be gradually eliminated from the housing societies, giving place to a comparatively richer class, and the main object of the movement of co-operative housing and the scheme of Government assistance will be frustrated.

The last Bombay Co-operative Conference also passed resolutions regarding Co-operative Housing for, (1) The grant of certain facilities by Government, to enable societies to repay with comparative ease the loans advanced to them, and (2) the reduction in the rate of interest charged by Government, on their loans, limiting the maximum to 5% and its periodical revision, so as to bring it down to the declining rate of interest on Government's own borrowing. "The facilities asked for under the former head are that, either the interest on Government loans should not be charged at all for the first two years, to enable the societies to meet the heavy initial expenses, or that the amount of interest accumulating for the two years, should be spread equally over the whole loan period, and further, the societies should be empowered to raise debentures charged *Pari Passu* on the whole property on condition that, the whole proceeds thereof should be applied exclusively to the amortisation of the Government loans".

This is in short the position of Housing societies in Bombay. In other provinces such as Madras, Co-operative Housing schemes are being taken up. It is only Bengal that is lagging behind. It is my endeavour to place in this meeting definite practical schemes for co-operative housing in the City of Calcutta,



The Govt. of Madras have recently issued rules regarding the giving of loans to Building societies.

The two main difficulties in any scheme for Co-operative Housing are:—

- (1) To obtain suitable building sites at a fair and reasonable price, and,
- (2) To secure adequate capital at a low rate of interest.

It would be well in the first place to examine, who are the class of persons for whom Co-operative Housing schemes are ordinarily intended. In the first place, we have members of Joint families who, for want of accommodation in their joint dwelling houses or for other reasons desire to move elsewhere. Persons of this class would like to secure separate dwelling houses of their own, and would like to live, if possible, in close proximity of their relations. These people are permanent residents of Calcutta.

In the second place there are persons in every community who are mere sojourners in this city having got to reside here on professional or business considerations. These people will not require permanent houses of their own but will be content to rent suitable rooms and flats at fair rates. For this class Tenement Blocks of moderate size divided into flats and erected in suitable centres in the town proper will be most suitable.

Lastly there are persons who desire to settle in this city permanently having at first come here on trade, professional or business considerations. For this class schemes on Garden City Lines will be eminently suitable.

There is yet another class consisting of persons of very limited means who, though they are in very great need of permanent abodes of their own in Calcutta are not in a position to afford the expenses of having separate buildings for themselves. Blocks of buildings divided



into independent flats or rooms and let out on Hire-Purchase system will, I think, suit this class best.

The scheme which I venture to place before this meeting is intended to bring relief to persons of all these classes and to benefit them all. It will not do for us to leave out any class or community. I would invite persons of all classes and communities to pool their resources and by associated efforts to help one another and thereby to help themselves. I appeal particularly to those members of every community who may not require a house or dwelling of their own, being placed in a more fortunate position, to come to the rescue of their needy brethren by subscribing to the funds of my proposed scheme.

My scheme is to organise a society to be called the Calcutta Co-operative Building and Housing Society Limited. It will be registered under the Co-operative Societies Act, Act. II of 1912. The objects of the society will be :

(1) To help persons of moderate means in erecting or acquiring suitable dwelling houses of their own.

(2) To acquire lands by purchase or otherwise for erecting dwellings for its members.

(3) To erect or help in the erection of suitable Tenement Blocks for letting out to members on hire-purchase system or for rent only as may be found convenient.

(4) To take up or assist in the formation of suitable house-building schemes on co-operative lines for the benefit of its members.

(5) To take up or assist in the organisation of Garden City Schemes.

(6) To raise the necessary capital by shares, debentures, loans or otherwise, if necessary, on the security of the society's assets, to give effect to any



or more of the above-mentioned objects or in furtherance thereof.

Every person desiring to take advantage of the Society's offer will have to subscribe at least one share in the society. The issue of shares will not be confined to borrowers alone. All are invited to invest their money in the society. The shares are withdrawable at the option of the members on three months' notice. Interest at the rate of 6½% on the net profits of the society is guaranteed to the share-holders and will constitute the first charge on profits. Further dividend may be declared if profits will allow.

The society will hardly be in a position to take up different types, of Housing schemes all at once. Its activities will have to be limited to its resources. Though I have not the least doubt that the society say, after a lapse of 10 years, will be able to stand on its own legs, I am at the same time convinced that without adequate financial assistance from the Government at the Pioneer stage, it will be impossible for the society to make much headway. The society will in due course approach for such financial assistance as it may require. In the meantime let every citizen of Calcutta, no matter to which community he belongs, come forward with helping hand to subscribe to the share-capital of this society. Considering that shares are valued at only Rs 5/- each, payable in easy instalments, subscribing to the society's fund is within the reach of every one, if every one, is really anxious to help his home-less neighbours. I appeal to every citizen of Calcutta to subscribe at least one share in the society. A small sum of Rs 5/- is nothing to you, but if every one cares to subscribe you will be astonished to find what a big lump it will make. Drops of water make the ocean, and your small contribution



will, I assure you greatly encourage and strengthen the hands of the promoters in their stupendous work. For believe me, the readiness with which the shares will be subscribed will be the true index of the extent of the demand for co-operative House-building societies—a matter that is sure to weigh with the authorities in offering any assistance that may be in their power to offer. Do not forget that, our scheme is essentially co-operative and as such it must be based on self-help. Members of every community should subscribe to the share capital of the society and should, as far as possible, keep their surplus in deposit with the society. We must, if we are to succeed, endeavour to find out funds for ourselves, though in the initial stage we are obliged to look to Government for financial assistance.

I will now give you an idea of the way in which we will proceed to accommodate our members. What I say now will be subject to such changes and modifications as circumstances will require. I will only give a rough idea at present. For the benefit of those who desire to own a house in a locality that will suit him, the society will be prepared to advance upto 80% of the value of the property at a rate of interest something like 3% in excess to what the society will be able to borrow. The borrower will have to find out for himself the remaining 20%. The society will make the advance in instalments as the construction of the building will progress. The property will remain in mortgage to the society until the whole debt is repaid with interest. The advance will be repayable in monthly or quarterly instalments extending over 5, 10, 15 or 20 years as will suit the convenience of the borrower. The borrower will in addition have the option to pay back the entire balance outstanding, at



at any earlier time that he may be able of. As soon as the whole debt is repaid the mortgage will be redeemed and the property will become the absolute property of the member, free of all conditions. Till that time the member may occupy the house himself or rent it. He will also have the option to sell the property any time with the approval of the society and redeem the mortgage.

For those desiring to own a Tenement Block containing dwellings for a number of families, it will at first be necessary, to form a group of persons who desire to join together, to have the Tenement Block. Usually the Block will be sufficiently spacious to accommodate 8 to 10 families as each group will require. The Group will be required to raise the necessary 20% among themselves and then the society will be prepared to advance the balance as in the first case. In this case the Group will jointly own the property, and each member composing each Group will have the right of permanent undisturbed occupation so long as (1) He fulfils the Tenancy Regulations made by the board of management, (2) He pays any rent or debt due from him to the society and (3) He and the occupants avoid any conduct detrimental to good neighbourship.

A member of a group desiring to give up his Tenement Holding may sell off the same to any one with the approval of the Group. In such cases the society will have the right of preemption.

In Garden City Schemes, provided that an adequate number of applications come forward, the society will acquire a sufficiently big plot of land in the Suburbs of this City and allot plots to individual applicants. Each applicant will have to find out the required 20% for himself, and the society will advance the balance



on approved plans. The advance will be repayable in monthly or quarterly instalments, and when the whole debt is cleared, the property will vest absolutely to the member free of all conditions.

There is more than one reason why this House-Building scheme should be started on Co-operative lines. In the first place, the society will have to face opposition from vested interests and capitalists and must therefore pool its resources by associated efforts. Secondly, when a large number of members join the society it will help to turn the tide of public opinion in its favour. And thirdly, if the rate of rent is to be kept down within fair limits and speculation kept outside the pale of the society, the society must be controlled by persons for whose benefit it is formed,

The proper society will, in fact, be the main financing and controlling agency for the different types of Housing Schemes in the city. In Bombay separate independent Housing schemes are formed and they are financed independently. But to my mind it seems that, it is better to organise one society with a strong body of Directors and adequate provision for Govt. supervision which will assist in the formation of and control the different types of Housing schemes to be taken up. Such a society will not only be in a position to command confidence of the Govt. and the public alike but will also be able to secure economy in its working and act as a safe-guard against over-lapping. The same supervisional staff will be able to inspect and supervise the working of the different schemes put into operation, orders for raw materials may be given collectively and if the society be enterprising enough it may considerably bring down the cost of construction by manufacturing bricks, mortar and other materials for building and also by opening a carpentry



department. Thus by co-operation it will be possible for different types of schemes to thrive together harmoniously accommodating all classes of members, maintaining at the same time their independent existence as distinct schemes. The liability of each scheme or proposal will be kept distinct and will not be allowed to mix up with the total liabilities of the society.

Perhaps my idea will be more clearly expressed by a concrete example. Suppose the proposed society is able to raise one Lakh as capital by shares loans, &c. and suppose that there are applications from each of the communities, Hindu, Muhammedan, and Anglo-Indian. The committee of the society will first examine the the exact nature of the applications. Suppose the Hindu applicants want a Garden City Scheme, the Muhammedan applicants separate buildings, and the Anglo-Indian applicants Co-partnership Tenement Blocks with independent flats. The committee will make an estimate of the relative cost of each scheme and allocate its capital accordingly. Each community will be adequately represented in the committee of management to safe-guard its particular interests. The different types of schemes will be treated as quite distinct and independent of one another each having its own assets and liabilities without having anything to do with any other scheme.

There are, however, persons, and their number is by far the largest, who will find it difficult to procure even the 20%, required as the margin of safety, all at once though their trades and professions will enable them to pay in easy instalments the full amount required. For the benefit of these persons we propose to make the following arrangement: They may either take upon themselves a personal liability, by furnishing a bond for the amount, backed by one or two sureties or on



other approved securities on the strength of which the society will raise the required amount of loan: or, they may subscribe to Endowment Investment Bonds to be issued by the society. A subscriber to the Endowment Investment Bonds, is enabled to save a fair amount by regular monthly contributions. Under this scheme, it is hoped, it will be easy enough for a subscriber to save within a short time the required 20%.

This is briefly my scheme. I hope, I have been able to give a rough idea of the advantages which my scheme offers to the members.

To take up the work in right earnest I would propose that a provisional committee be formed with the object to organise the society on the lines suggested above. The committee should be entrusted with the task of drawing up details of House-building schemes and necessary Bye-laws, and also to devise adequate means for finance. The committee should also be empowered to approach Govt. for a loan for any definite scheme in the initial stage.

In this connection it may be worth while to note that, the Calcutta Housing and Communications Committee suggested in its valuable report the formation of Co-operative Housing Societies and that the Local Govt. in its resolution on that report approved of the suggestion.



## **CO-OPERATION IN BENGAL.**

### **WEAVERS' CO-OPERATIVE SOCIETIES**

#### **IN BENGAL.**

—:O:—

The Co-operative organisation of weavers received some impetus during the year from the formation of industrial unions and there was some addition to the number of weavers' societies the total being 142 against 120 in the preceding year and 117 in the year before that. Membership increased from 1677 to 1882 and the working capital from Rs. 54,629 to Rs. 62,754. The co-operative organisation of the weavers of Santipur with a view to resuscitating the once famous but now dying weaving industry there, received attention, but difficulty was experienced in financing it unless Government gave some guarantee against loss. An application for obtaining such a guarantee was submitted to Government but has been refused. The blanket-weavers' societies in Jangipur in Murshidabad are showing signs of improvement. A co-operative organisation has been started at Kandapara in the district of Khulna, on a factory basis, of workers who are mostly drawn from the middle class people in the surrounding villages. The various operations are performed by different sets of persons who work in the sheds put up by the society. The society is also providing occupation to the women in these villages. The coatings and shirtings turned out have already been very popular in the market. The future of the society seems promising and if it is successful, it will go a great way towards solving the problem of middle class unemployment.



ment. There is possibility of organising the hand-loom weaving industry and providing cheap power at its disposal with a view to placing the industry in a better position to compete with the mills. The question of the introduction of cheap electric power to large weaving centres in rural areas has attracted the attention of Government, and enquiries have been set on foot with a view to exploring the possibilities in this direction.

## **INTERNATIONAL CO-OPERATORS' DAY.**

### **CELEBRATION AT NETROKONA.**

(FROM A CORRESPONDENT.)

Netrokona, July 8.

Under the auspices of the Netrokona Central Bank the International Co-operators' Day was celebrated here last Saturday. The meeting was presided over by Senior Munsiff Babu Hiralal Chandra Mukherji and largely attended by officials and non-officials. The meeting was held in the Municipal office. Maulvi Abdulhalim, B. L. Secretary Central Bank, after welcoming the gentlemen present addressed the meeting on the main principles of co-operation and appealed to the public for sympathy and help. He was followed by Dr. F. R. Khan and Babus Bhavataran Chakravarti and Sarat Chandra Bhattacharyya. The Sub-Divisional Officer Babu Nepal Chandra Sen, who spoke for more than an hour explained in lucid and forceful language the practical aspects of co-operation and gave a graphic description of the immense benefit derived



from the co-operative movement both in and outside India. His speech was much appreciated. Finally the president gave the finishing touch by a nice little but instructive speech and the meeting dissolved at 10 P. M. with a vote of thanks to the chair.

### CELEBRATION AT NARAIL

The international Co-operators' Day was celebrated by the Narail Central Co-operative Bank on Saturday the 5th July in a most attractive style. Football match and a tug-of-war competition were arranged for in the afternoon between the students of the Narail Sub-divisional High English School and the Narail Victoria Collegiate School. Other sports were also programmed on the occasion in which only the tender boys of these two local schools entered into competition. To commemorate the occasion a silver medal was announced to the winning school in the football match and other prizes were awarded to the competitors in the other events of the sports. After the games and sports were over the prizes were distributed by Babu Kiron Chandra Mittra, Munsiff, amidst loud acclamation of the boys. In the evening the office building of the Bank was decorated with buntings and illuminations. <sup>new</sup> There members of the co-operative Institution, <sup>already</sup> at a social gathering and were treated with concert, music, and light refreshment. Thus the International Co-operators' Day was celebrated at Narail.



## **THE MADARGANJ CENTRAL CO-OPERATIVE BANK LIMITED.**

A pure type Central Co-operative Bank was established at Madarganj within Jamalpur Sub-division on June, 1923 with 19 old societies of that area. These societies were started sometime in 1908 and have been able to invest separately a sum of Rs 28,000/- out of their reserve fund. These societies were so long under the Jamalpur Central Bank and had been working well. This pure type Central Bank was started by the efforts of Rai J. M. Mitra Bahadur, Registrar. He had to make a tough fight with the authorities of the Jamalpur Central Bank who naturally did not like that a good area of theirs would thus be taken away. However the Registrar, having by his inconvertable and undeniable reasonings, convinced the authorities of the Jamalpur Central Bank and succeeded in starting this Central Bank at Madarganj. The late Registrar proceeded very cautiously in forming the first Board of Directors and the bye-laws. The Managing Committee has been composed of directors of which 6 are the representatives of the affiliated societies and 3 are from outside public having sufficient experience of co-operative works. Three there outside gentlemen have been taken at the first instance with a view to train the directors representing village societies in the management of the affairs of a Central Bank, but after some years these three non-member directors will walk off



when those members will have sufficiently learnt the business. Thus the object of educating the village society people to manage their own affairs on a larger scale independently, honestly and in a business-like way will be accomplished.

Generally half the members of the board of directors in a mixed type Central Bank are representatives of rural societies but it has become apparent after all these years, that there is no possibility of coming to an end of this period of tutelage of these representatives in near future. Hence it seems that these people will never become fit to take up the responsibilities of running a Central Bank which is the primary object with which these mixed type Central Banks were started. The preference share-holders, it is found, generally predominate in the board and are daily usurping the legitimate powers and functions of the village society people in all matters. So it is thought, and thought rightly by the Registrar to start pure type Central Banks in good areas where the rural members have been sufficiently imbued with co-operative ideas and principles.

The Madarganj area is one of the oldest areas that the Government first tapped for the spread of co-operative movement in 1908 and their attempts have been very successful as the results show.

There have been about 20 Societies organised and affiliated to this Central Bank and about Rs. 30,000/- have been invested up to this time. It is hoped that 20 more societies will be organised within June next.

The business of this new bank is going on very smoothly and it has already become a popular institution as is evidenced by the keen interest that is being taken by the local people who at first opposed its establishment.



The success that has been achieved by this Bank up to this time, is entirely due to the earnest efforts, untiring zeal, and able and wise guidance of its Chairman Babu Aswini Mohan Ghosh, B. L., under whose secretaryship the Jamalpur Central Bank attained so conspicuous a success in recent years and also of Moulavi Wuliuddin Ahamed, the popular Circle Inspector of Jamalpur.

The Bank is deeply indebted to both these gentlemen without whose genuine sympathy and material help this infant institution could not have made such a rapid progress within this very short time specially in face of the opposition that was offered to it at the outset. The Bank is also indebted to Moulavi Lutfur Kafir, the Govt auditor, for the help and assistance that he has rendered ungrudgingly to it during the lending season.

REAZUDDIN AHAMED

*Honorary Secretary, Madarganj Central Bank.*



## **INTERNATIONAL CO-OPERATORS' DAY IN MADRAS.**

The International Co-operators' Day, which was being celebrated all over the world, was celebrated with great enthusiasm by the Madras Co-operators on Saturday last in the Wesley College Hall with Sir K. V. Reddy in the chair. There was a large gathering of co-operators of the city. Leading co-operators addressed the meeting on the significance of the day and on the benefits of the movement.

### **MESSAGES OF SYMPATHY.**

After a social the Demonstration meeting was held. The Secretary read messages from distinguished gentlemen and organisations interested in the co-operative movement wishing success to the meeting.

His Excellency Lord Goschen wired under date July 4:—

'I send my best wishes for the success of the meeting you are holding and will be glad if you will announce to the meeting my sympathies with the objects of your Committee.'

Rev. H. A. Popley in his message hoped that the day would become an annual institution and would contribute to the progress of the movement and to the linking up of India with other countries in this great work of co-operation.

Messages were also received from the Y. M. C. A., the Provincial Co-operative Union, the Hon'ble Mr. T. N. Sivagnanam Pillai, the Servants of India Society, the Theosophical Society (Adyar), the Registrar of Co-operative Societies (Madras) and others.

### **MR. SATYAMURTI.**

Mr. S. Satyamurthi was the first speaker to address the gathering. He first read the message of the Swarajya Party in which it was stated that that was the day in which co-operators



all over the world were meeting to take stock of what they had done and to resolve on doing more for the betterment of themselves and their fellow-countrymen. The Party's immediate and greatest objective was Swaraj for India. But they fully realised that political Swaraj by itself would not solve India's problems and that her economic and social life had got to be reorganised on such lines as to ensure the greatest happiness to the greatest number. The Co-operative movement had done much in that direction and he hoped would do much in the future.

Mr. Satyamurthi then addressed a few words. In the course of his remarks he said that the movement was a great factor in the evolution of humanity towards a better social and economic state. Co-operation also would play a great part in rounding off the national jealousies and in that great task India would play an important part. The ultimate aim of humanity was peace and good will in international relations and India, with its national instinct of universal brotherhood, was bound to play an important part in the evolution of the ideal. Referring to the success of the movement, the speaker admitted that it had done much good for South India. It had created among the people a sense of initiative, a sense of unity and self-reliance. But at the present time it was suffering much from official interference from the Government. In times of difficulty and trouble the Government was appealed to. This state of affairs must be remedied. Again it seemed to him that the appointment of honorary assistant registrars had been made with the object of consolidating the party in power. These defects must be remedied. Co-operation would exert its influence greatly on the moral side alone and he hoped that in future years the movement would grow stronger and make India a powerful nation on the face of the earth.

#### MRS. COUSINS.

Mrs. J. H. Cousins speaking next said that the movement had not done as much as it could have in the direction of educating the women of the country in the principles of co-operation. One of the reasons why it was so was that a large number of women were illiterate. A great deal had to be done in the way of spreading education among the women and the masses. Another reason why the movement had not spread much was that a great many



meetings of co-operative movement were being conducted in English and not in vernaculars. Indian women were extremely intelligent women and if only the principles of co-operation were taught to them in their own vernaculars the speaker had no doubt that the movement would grow stronger in the land.

MR. V. RAMADOSS.

Mr. V. Ramadoss said that Mahatma Gandhi was the only true co-operator though he was the author of non-co-operation. He had taken the principle to its logical consequences. The Industrial problem was the problem of problems in all countries and it could only be solved by adhering to co-operative principles. In asking every body to spin, Mahatma Gandhi was only exhorting the people to follow the principles of co-operation. Individual labour would solve the problems of the world. In conclusion he said that the movement must also be introduced among students. He would suggest the formation of a Co-operative Union for students under the auspices of the University.

Rev. D. G. M. Loith pleaded for the establishment of co-operative housing schemes in the city of Madras.

Mr. W. T. Govindaraja Mudaliar in a Tamil speech explained the benefits of the co-operative movement.

SIR K. V. REDDY.

Sir. K. V. Reddy, the Chairman, in bringing the meeting to a close thanked the organisers for giving him the opportunity to preside over the celebration. The movement had as its objects the amelioration of the distressed classes, the raising of the standard of living and the creation of an universal brotherhood based on equality of all people. The movement had paid great attention to the moral side of its teaching, the development of character and the improvement of men's minds. Co-operation was also a great factor in bringing peace and order in the world.

Referring to Mr. Satyamurthi's criticism that at present the movement in India was suffering from Government interference, the Chairman said that but for the fact that Government was behind the movement the movement would not have become so strong in the Presidency. The Chairman believed that there were certain charact-



eristics in the Indians which were not conducive to the growth of this movement. The absence of mutual trust among Indians was one such reason. Until that trust was developed to a large extent, the speaker believed the Government interference was necessary. The other remark made by Mr. Satyamurthi was that the appointments of honorary assistant registrars were made for the consolidation of the party in power. Since the speaker was responsible for these appointments he would assure them that when the appointments were made they had no other object than to give equal scope for all people to work in the field. When they found that equality of scope was ignored they only restored the principle of equality in those appointments. In conclusion he hoped that in future years the movement would aim at achieving the highest ideal of humanity—All for each and each for all.

With a vote of thanks the gathering dispersed.

## CO-OPERATION IN BOMBAY

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### CENTRAL CO-OPERATIVE INSTITUTE'S WORK.

The sixth Annual General Meeting of the Bombay Central Co-operative Institute was held on Saturday afternoon at the Institute's office, Sardar Building, Apollo Street, Mr. G. K. Deodhar presiding.

The report of the Institute for the twelve months, ending 31st March 1924 stated :—

The year under report witnessed a further expansion of the activities of the Institute and the sphere of its influence. The Branches continued to do their useful work and District Branches were started at Jalgaon, Dhulia, Nasik, Ahmedabad, Sholapur, and Surat and a City Branch at Ahmedabad. Four Taluka Development Associations Were affiliated as Branches of the Institute. It has now been decided to federate the three District Branches at Dhulia, Jalgaon and Nasik, under a new Divisional Branch, in order to facilitate the propaganda work in that area. The Konkan Branch was not working during the year, and



special attempts are being made to organise District Branches for the three Districts comprised in the Division.

The Work done during the year was in considerable advance of last year's work. Besides the usual Training Classes at Bombay held by the Central Office, 2 Senior and 6 Junior Secretaries Training Classes were held by the Divisional Branches at various centres, as many as 44 Training Classes consisting of series of lectures without examinations were also held by the Branches and were well attended. The work of conducting the continuation class in co-operation was handed over this year to the Bombay Branch, which has succeeded in finishing four series of lectures for that class already. Two Divisional, three District and seven Taluka Conferences were held in various districts. Besides these, three Conferences for the Producers' Societies, Salary-earners' Societies and the Chawl Societies respectively were held at Bombay and a Pravara Canal Societies' Conference was organised at Sangamner. A Co-operative Workers' Conference was also held at Karachi. About 32 public lectures were delivered at various centres.

The number of members of the Institute rose during the period from 3,177 to 3,583; 2,927 societies and 656 individuals, of whom 2 were Patrons and 12 Life-members. The Report regretted to report the death of Sirdar P. K. Bivalkar of Alibag a Life-member, and Mr. Hansraj P. Thackersey of Bombay, an Associate of the Institute since its inception.

### CO-OPERATIVE HOUSING

A Meeting of the Co-operative Housing Societies in Bombay was held on 23rd May, 1923 to discuss problems connected with their difficulties. It was prominently brought before the meeting that the recent Government proposal of land taxes in Bandra falls too heavily on the building plots there. It was also complained that the betterment taxes in other suburbs in the Bombay Suburban District come to more than the actual price of the land and are invariably so high, that they are seriously coming in the way of the development of building in the Suburbs. Mr. F. A. C. Rebello, J. P. was requested to draft a representation to the Government in both these matters. Another meeting of the representatives of the Housing Societies in Bombay was held



on the 17th September, 1923 to consider the question of the rate of interest on Government loans to societies. It was decided at this meeting that the present rate of interest of 6 per cent on loans to societies being too high, the question should be brought before the Provincial Conference for consideration and Government should be approached with a request to reduce it to 5 per cent.

### EDUCATIONAL EFFORTS.

Night Schools :—The year opened with 32 schools ; 16 in Central Division and 16 in Southern Division. The schools in the Southern Division were in their second year's course and three of them finished their course during the year and were closed. In the Central Division 9 new schools were opened during the year ; but afterwards on account of insufficient and irregular attendance as many as 16 schools had to be closed. The number of schools therefore at the end of the year was 22, 9 in the Central Division and 13 in the Southern Division.

In order to maintain the literacy of the villagers after they have completed the course, scheme for continuation work was prepared sometime ago by the Institute. Under this scheme the villagers who passed the two years' course were helped to start a village library by a donation equal in amount to the funds they collect, subject to a maximum of Rs 25. Three libraries were started on this basis in the Central Division, but they have not been well-utilised on account of the lack of interest on the part of the villagers. The Night School Inspectors also delivered 28 magic lantern lectures during the year.

The Institute took part this year, in the All-India Social Workers' Conference and was represented at both of them by delegates.

During the year under Report, the Institute completed five years of its existence. During that period, its work as a propagandist and educational institution had given it a place in the foremost ranks of the co-operative organisations, and it was now looked upon as a model institution in that respect by the other Provinces of India. It had upto now worked to the best of its ability as far as the limitations of its funds and workers would allow ; and the amount of work put in by it cannot



be said to be small. Its income had also, grown in proportion to its activities. The Government grant, which was Rs 4000 in the first year had at present been raised to Rs 22,000, and Government had promised to give a grant equal in amount to the income of the Institute from other sources for which the best thanks of the Institute were due to them. The public response, however, though good, was not what was worthy of the services of the movement. The Report concluded by expressing a hope that with the help of sympathisers the Institute might take greater share in the national advancement and the well-being of the masses.

In moving the adoption of the report the chairman dwelt at length on the steady and progressive activities of the Institute during the year under report. Their Journal under the able editorship of Prof. Kaji, he said, was making satisfactory progress. Some officers had undertaken tours which too, had proved very satisfactory. He urged for a greater degree of co-ordination between the leaders of the branches and those of the head quarters. He hoped the Co-operative Bill in the Bombay Legislative Council would pass through with the support of their friends and sympathisers.

The report was adopted and office bearers for the ensuing year were elected.

## **STATE LOANS FOR FARMERS.**

### **Britain's Elaborate Scheme.**

#### **TERMS ANNOUNCED.**

#### **A FEW HINTS FOR INDIA.**

The following statement was issued by the Ministry of Agriculture and Fisheries recently in pursuance of the Government's policy expounded by Mr. Buxton in the House of Commons :—



The Ministry of Agriculture is prepared to consider applications from agricultural co-operative societies for loans to enable them to develop forms of co-operation directed to the preparation and marketing of agricultural produce, such as bacon factories, milk depots, etc. Provision will be made in the Estimates of the Ministry for the year 1924-25 for this purpose.

It will be remembered that the Departmental Committee on the Distribution and Prices of Agricultural Produce, both in its final report and in its various interim reports, strongly urged the need for State assistance to co-operative societies engaged in the sale, preparation or manufacture of farm products by providing advances towards capital expenditure on buildings, land, plant or equipment. The committee also recommended the appointment by the Minister of Agriculture of a small Standing Advisory Committee to consider the merits of applications or advances, the Committee being constituted so as to include in its membership those possessing not only an extensive knowledge of agricultural conditions, but also some experience in finance and commerce. The Minister proposes to adopt both these recommendations, and it is hoped that it will be possible to announce the composition of the Committee at an early date.

The exact terms and conditions on which the advances are to be made will be settled after consultation with the proposed Advisory Committee, but in order to enable societies to consider the matter without delay the following provisional conditions are given as an indication of the lines on which loans will be made :—

1. The Ministry of Agriculture will make loans to Agricultural Co-operative Societies registered under the Industrial and Provident Societies Act to the extent of such funds as may be placed at its disposal. In order that a Society may be eligible for a loan the Society must have for its object such agricultural purposes as may be approved by the Ministry, and its capital must be subscribed mainly by agriculturists. The share capital paid up by the subscribers must be not less than 5s. per £1 share, and the rate of interest on the paid up share capital must be limited to 5 per cent.

2. The amount of the loan from the Ministry will not exceed, in the case of a new society, half the total capital considered by the Ministry to be necessary for the proper equipment and working of



the society, nor the amount of share capital subscribed by the members of the society, whichever may be less. No loan will be granted until the Ministry is satisfied that the remaining capital required for the proper equipment and working of the society will be available.

3. Loans will only be made to existing societies for the purpose of improvement, or extension of premises and plant and the loan will not in any case, exceed half the sum estimated to be spent on the improvement or extension of premises and plant.

4. In no case will the Ministry's loan exceed the sum of £10,000 to any one society.

5. In the case of a newly-formed society the loan will be secured by a first debenture upon all the assets (including uncalled capital of the society). In the case of an existing society it will be secured, if possible, by a first charge on the premises and plant obtained or improved with its assistance. If such a first charge cannot be given the Ministry will require other satisfactory security.

6. Interest will be charged on the loan at 5 per cent, per annum, and the loan will be repayable in instalments spread over a period not exceeding 20 years. Both interest and repayment of principal will be payable half-yearly. The first payment in respect of both interest and principal may, if the Society so desire, be deferred for 30 months after the date when the loan is actually paid over by the Ministry, or, if the loan is made in more than one instalment 30 months after the date when the first instalment is paid. The first payment to the Ministry will be six months interest on the whole amount of the loan and a proportion of the principal according to the period of the loan. When the first payment is deferred, as suggested above, the repayment of the interest and of the principal will need to be adjusted so that the whole loan is repaid within a period not exceeding 20 years from the date when the loan is first made.

7. The Ministry must reserve the right to require at any time immediate repayment of the principal of the loan and all outstanding interest, but there would be no intention to exercise this right so long as the society was managed to the satisfaction of the Ministry. The Ministry will also have the right, if it so desires, to appoint, either temporarily, or permanently, a re-



presentative on the committee of management of any society to which a loan is made.

8. The Society shall cause an audit of accounts to be made yearly, and a copy of the auditor's report and of the accounts shall be supplied to the Ministry. The books of the society shall be open to inspection by an officer of the Ministry at any time.

## CO-OPERATION ABROAD

### PROGRESS IN BRITAIN.

The following communication received from the Manchester Co-operative Union has been sent to us for publication by the Madras Provincial Co-operative Union News Service :—

### A CO-OPERATIVE GOVERNMENT.

All Co-operators, no matter what view they take of what are termed "party politics", ought to rejoice because the new Government is in reality a Co-operative Government. For the first time in the history of this country a majority of the members of its Government are earnest and sincere co-operators. Almost all of the new Labour Ministers are members of Co-operative Societies ; many frequently address Co-operative gatherings ; and three or four have either written books on Co-operation or have made helpful references to the Co-operative Movement in books they have written on other subjects. The new Prime Minister, Mr. Ramsay Macdonald, always an acceptable speaker, has given many valuable lectures on Co-operative topics during the last 20 years ; Lord Haldane, the new Lord Chancellor, addressed a large meeting held in connection with the Co-operative Congress at Bristol a few years ago ; and Mr. Sidney Webb, the new President of the Board of Trade, has not only published many pamphlets on Co-operative subjects but is also joint author of the large work on "Consumers' Co-operative Societies", which appeared a couple of years ago. Best of all one member of the new Government, Mr. A. V. Alexander. M. P., is now Parliamentary Secretary to the Board of Trade.



Mr. Alexander, whose appointment was foreshadowed in these notes immediately after the General Election in December, is the Co-operative Member for the Hillsborough Division of Sheffield, who was Secretary to the Parliamentary Committee of the Co-operative Congress until he went over to Downing Street. With so many good friends in the Government Co-operators may rest content. It is quite certain that no attacks will be made upon the Co-operative Movement while the present Government holds office. It is no less certain that all reasonable requests made by the movement will be considered carefully and sympathetically, by the Government many of whose members are life-long co-operators.

### **THE CO-OPERATIVE PARTY AT WORK**

Although both the new Government and the new Parliament contain many good co-operators, only a few of these were elected to the House of Commons as direct representatives of the Co-operative movement. At present, the movement has six direct representatives in Parliament, including Mr. A. V. Alexander, the new Parliamentary Secretary to the Board of Trade. All these directly represent British Co-operators, and are specially charged with the duty of watching consumers' interests. For a young party, only seven years old, the Co-operative Party is well represented at St. Stephen's and certainly its record is one of which any party might be proud. In a new circular issued to all co-operative societies last month, the Party tells what was done by its own members during the last Parliament and boldly claims that "the increase in the number of votes recorded in favour of the co-operative candidates in 1923 as compared with 1918 is very significant and encouraging." At the same time, the Party points out that in the present Parliament "private interests are still well represented—there are 249 Directors of Public Companies and 56 Renters," in the Commons where the co-operative movement has only six direct representatives. There is largest need therefore, "of an encrease in that representation in Parliament in order to safeguard co-operative interests." How is that increased representation to be secured? Clearly the first step toward securing it must be an effort to strengthen the Co-operative Party. Since its formation, to quote the official



circular, "the Co-operative Party has had to bear the burden of expenses of three general elections in the short space of five years..... This has naturally caused a heavy drain on the funds of the Co-operative Party," and an urgent appeal is now made to all societies not yet affiliated to the Party to join it at once. Each society in membership with the party is requested to pay a subscription at the rate of one half penny per member per annum, and the party rightly point out that this is "a trivial amount in comparison with the social and commercial issues at stake." If the Party is to grow and secure a larger representation in Parliament it must be provided with a larger income, and there are sound reasons why it should now have the loyal support of every society that is already a member of the Co-operative Union.

### AN INTERNATIONAL CONGRESS

Preparations are now being made for the next International Co-operative Alliance, which will be held at Ghent, in Belgium, during the autumn. Before and after this Congress there will be a great International Co-operative Exhibition—the largest ever held—at which exhibits the different national co-operative movements united in the Alliance. Several British co-operative organisations will have stands at this exhibition. The Co-operative Union will show books and pictures, charts and maps illustrating the growth and present extent of the Co-operative movement in the United Kingdom and also a large model of the first store opened in Toad Lane, Rochdale, by the local pioneers, whose work is there fitting monument. Other exhibits will be shown by the Co-operative Wholesale Society; the National Co-operative Publishing Society; and the Co-operative Productive Federation. Altogether, the exhibition will be a revelation of the extent and power of the worldwide Co-operative Movement, and all who attend it will receive practical education in co-operative ideals and the possibilities of co-operative trade and manufacture. Many British co-operators ought to visit the Exhibition. Co-operations began in this country, and as Belgium is not very far away, large numbers will probably contrive to spend their summer holiday in Ghent. Those who propose to make the trip should write at once for information to Mr. C. E. Wood, education



Department, Co-operative Union Ltd. Holyoake House Hanover Street, Manchester, for he is organising to take a special party to the Congress and Exhibition. This Party will leave for Ghent on August 30th and remain in that town until September 6th. In the following week they will return by way of Paris, where five or six days will be spent in sight-seeing and all will return home again on September 13th. The Co-operative Wholesale Society is also arranging a number of visits to the Exhibition during the summer months. These too, will doubtless prove attractive to many people.

### CO-OPERATIVE TRAVEL GUILDS.

Twenty years ago it was a rare thing for the member of a Co-operative Society to travel over sea. Then the soldier son, or the sailor boy who had sailed the seven seas or rounded the Cape of Good Hope, was usually regarded as a daring traveller whose tales were too marvellous to be believed. Nay, very few of the earlier generation of Lancashire co-operators ever went as far as London, and not one in a thousand of them ever saw Westminster Abbey or the House of Commons. Now a days it is the man who stays at home who is the singular person. In one sense the world has been made smaller by improved methods of transport; in another sense it has been enlarged for the wage-earners, who can now if they so wish, visit half-a-dozen countries in as many years. Tourist agencies advertise attractive tours over-seas at cheap rates; the Workers' Travel Association conducts parties of workers to other countries; and the Woolwich Co-operative Society, through its Education Department, has opened the way to new Co-operative activities by organising the First Travel Guild established under the auspices of a British Co-operative Society. In the last three or four years the Guild has arranged visits to Belgium, Holland, France, Germany, and several other countries, to the very great advantage of the tourists and the cause of international Co-operation.



Now a proposal has been made that the example set by Woolwich shall be copied by other societies and that a National Co-operative Travel Guild shall be established. This Guild which would work on somewhat similar lines to the Workers' Travel Association, fostered by the Education Department of the Co-operative Union and aided by the Excursions Department of the Co-operative Wholesale Society, should, if formed, soon become very popular among co-operators. Branches of the Guild will be formed locally, and these will probably be federated for national purposes. Full particulars of the scheme outlined are contained in a little Pamphlet, entitled "Co-operative Travel Guilds" which has been written by Professor Hall and Mr. J. Reeves (the Secretary and organiser of the Guild formed at Woolwich) Copies of this pamphlet can be obtained from the Co-operative Union, Manchester.

## CO-OPERATION ABROAD.

[ SUPPLIED BY THE INTERNATIONAL LABOUR OFFICE ]

### BULGARIA CO-OPERATION IN THE SCHOOLS.

The idea of forming co-operative societies in the State schools was started in 1921 in Sofia, and since then the various experiments in this direction have yielded appreciable results, most of them being directed by their chief advocate, Mr. Mintchef, a well-known co-operator. The parents of the pupils are the active members of the societies, and the teachers associate members. The object is to provide the pupils with school material, clothing, shoes, to open small canteens, and to provide medical assistance. The possibility of starting libraries, reading rooms, gardens, and holiday camps is also under consideration. The co-operative society of one school has set aside the sum of 25,000 leva for this purpose. It has made a profit of 60,000 leva on supplying school books to the value of 250,000 leva on co-operative lines, and this profit has been paid into the fund for poor pupils.



Quite apart from material interests, the school co-operative, in the opinion of its advocates, possesses a real educational value and offers a method of imbuing the new generation with the principles of co-operation.

## NEW ZEALAND.

### **Co-operative System in Public works. (I)**

According to the New Zealand Official Year Book 1924, the co-operative contracts system, which for many years has been adopted in connection with the construction of public works in New Zealand is somewhat as follows. When a length of railway or road is to be constructed on the co-operative principle the formation work is divided into sections the size of which depends upon the difficulty of the work. Plans and a simple specification of the work are prepared, also an estimate of the cost based on the rate of wages ruling in the district for similar work. The work, at a price reckoned at so much per unit of quantity or measurement, is offered to a party of men, who, if they accept, become the contractors. The work done by the men is measured periodically, and full payment made to the party, who divide the money amongst themselves according to the time worked by each workman. The engineer in charge of the work has a certain amount of discretion and control in respect of the character of the men employed, the progress of the work, hours of labour, etc.

The constitution of the party is left very much to the men themselves, and they have power, subject to the approval of the engineer, to ballott out any member who proves himself undesirable or inefficient. The Department supplies the men with materials, explosives, etc, at cost price.

When the work is let by direct contract tenders are publicly invited, but the sections of work included in each contract are

(1) Cf, "A co-operative scheme in the Mining Industry" in New Zealand (Industrial and Labour Information of the International Labour Office, Vol. VIII, No 2).



more extensive than under the co-operative system, yet not too large to enable parties of working contractors to tender.

#### UNITED STATES.

#### **membership of Co-operative Cotton-marketing Associations.**

According to an account in the December, 1923, issue of the International Cotton Bulletin, the membership of the Co-operative Cotton-Marketing Associations in 1922 was, by States, as follows : --

	Number of Members,	Increase over preceding year
Alabama	20,300	9,300
Arizona	1,233	—
Arkansas	10,697	4,363
Georgia	39,000	24,318
Lousiana	5,159	741
Mississippi	18,040	7,354
Missouri	528	—
North Carolina	31,069	1,535
Oklahoma	50,362	15,495
South Carolina	13,600	2,332
Tennessee	6,441	6,441
Texas	30,134	10,094
Total :	(1) 225,613	81,973

(1) Not the exact sum of the items, but as was given in the report.



## **Farmers lead in organising Institute on Co-operation.**

Representatives of farm organisations, farmers' co-operative organisations and the U. S. Department of Agriculture meeting recently in Washington, have definitely decided that an International Institute on Co-operation will be held in the summer 1925. A call was issued at the same time for a general meeting to be held at Cleveland, Ohio, on August 11—16, 1924, for the purpose of canvassing the entire co-operative field, its success and problems, and working out a comprehensive course of study to be carried out by the Institute.

The purposes of the proposed International Institute on Co-operation are: first, to collect and make available a body of knowledge concerning the co-operative movement in the United States and other lands; second, to serve as a means of clarifying thought as to what the co-operative movement really is and of bringing about more harmony and unity of action among organisations directly or indirectly connected with co-operation; third, to serve as a means of training and developing leaders and workers in respect to co-operative theory and practice; fourth, to serve as a means of assisting educational institutions throughout the United States to improve their teaching courses in co-operation.

The Institute will be held in connection with some high grade college or university under the general auspices of that institution and the following organisations: American Farm Economics Associations; American Association of Commissioners, State Secretaries and Departments of Agriculture; National Grange, American Farm Bureau Federation; Farmers' Educational and Co-operative Union of America; Farmers' National Grain Dealers Association; National Co-operative Milk Producers' Association; National Board of Farm Organisations; National Association of State Marketing Officials, Sun Maid Raisin Growers; American Committee on the International Institute of Agriculture at Rome; and the United States Department of Agriculture.

The Institute will have the services of picked men from the great educational institutions and from successful co-operative



organisations, who will conduct study courses and conferences. The student body will consist of co-operative leaders and active workers in co-operative organisations, of graduate students and members of faculties, and of other persons interested in the broader aspects of the subject.

## **AGRICULTURE AND INDUSTRY.**

### **JOINT CONFERENCE IN GOVERNMENT HOUSE , H. E. The Governor's Speech.**

His Excellency opened the Joint Conference of the Departments of Agriculture, Industries and Co-operation and of the Veterinary Department on the 4th July (1924) at 3 o'clock at the Durbar Hall of the Government House. About 200 delegates were present. There were also present the Hon. Mr. A. K. Fazlul Haq, Minister for Education, the Hon. Mr. A. K. Ghuznavi, Minister for Local Self-Government and Agriculture, Mr. K. C. De, Commissioner of Presidency Division, Mr. J. N. Gupta, Commissioner of Burdwan Division, Mr. G. S. Dutt, Secretary to the Government of Bengal, Department of Industries and Agriculture, Raja Reshee Case Law besides Magistrates and Collectors of several Districts and Chairmen of District Boards.

### **His Excellency's Address.**

His Excellency delivered the following speech at the Agricultural Conference : -

Mr. Ghaznavi and Gentlemen : -

Many of those present here to-day have, I presume, been taking part in the District Boards Conference, which has been sitting for the last two days. It will be unnecessary, therefore, for me to repeat what I said, when opening that conference, on the importance of such meetings as these. It is, I believe, two years since a conference was held by this department and you will therefore have many important matters to discuss and I hope much progress to report. Indeed I fear that many of you including the Minister himself are being worked very hard this week.



This Department, which is now under the Hon'ble Mr. Ghaznavi's charge, is popularly known as one of the nation-building departments. The respective functions of the Departments that are thus named may perhaps be described in this way—one group, namely, the Medical, Public health and Local Self-Government Departments are occupied, as we have been reminded during the last two days, with the health of the people. Another group, namely, those departments which are represented here to-day—Agriculture, Industries, veterinary and Co-operation are concerned rather with the wealth of the people. The last department, namely that of education lays the foundation without which neither of the other two would really be possible. It is occupied in fact with the people themselves and their training in the preservation of both health and wealth.

I trust that the Conference which has been sitting during the past days may have made a substantial contribution towards improving the health conditions of the province, and I hope that this conference will also be able to help us to improve its economic and material conditions. You will not, of course, accomplish much in a single sitting. Improvement in such matters must necessarily be gradual, perhaps almost imperceptible at first, but it is the initiation of beneficial measures that is all important, the laying of solid foundations on which future generations may confidently and successfully erect the superstructure.

I do not propose to dwell in detail on the importance of the four departments whose activities are included in to-day's conference or on their interdependence. I dealt with this aspect when opening the conference two years ago, but it is significant that it is of only comparatively recent date that the public or Government have attached to these subjects the value which they deserve. This is evidenced, so far as Government is concerned—and Government in such matters reflects the general trend of public opinion—by the fact that it was only three years ago that a separate department of Agriculture and Industries was created. Previous to that the various functions which it now fulfils were included in the sphere of other departments merely as a matter of convenience because those other departments were considered to have less work to do than the others.

Now, however, they are viewed in their proper perspective,



they have shown their capacity for creating wealth and have thus made themselves welcome partners in the business of Government.

### **Functions of Govt. Department.**

In this process of increasing wealth which I have described, I should like to indicate what in my opinion are the functions of a Government Department. They are in the main three—research, demonstration and education. The first of these necessitates a central Government Farm for experiments in scientific farming and laboratories for advanced research. This function is now being fulfilled by the Government Farm at Dacca and by the cattle farm at Rungpur, and though our research staff is very small, it has already produced in a short time most valuable results in the improvement of seeds and the breed of cattle. The next requirement is the practical testing in different part of the Province of the results of the research experiments and the successful demonstration to the cultivators of the value of the improved seeds or methods of cultivation. For this purpose it would be necessary ultimately to have at least one well-equipped farm in every district. In this matter progress must necessarily be slow and we are handicapped at present by the dearth of well-trained men. It is worse than useless to multiply farms until you can supply them with a trained staff, as the cultivators are not likely to have much respect for men in the employment of Government who cannot show better results than themselves.

This brings me to the last function of the Department—namely education—the training of men for demonstration work on Government farms or as instructors in schools designed to teach the sons of cultivators how they may improve their own holdings. It is here, I think that we are most deficient at present. What is chiefly needed is I suggest an Agricultural institute at Dacca in close touch with the Government farm there, but in this matter we shall welcome your suggestions and assistance.

Having sketched out what appear to me to be the main duties and functions of a Government Department let me refer briefly to some of the subjects which you propose to discuss. They cover a very wide range, and I have no doubt that most of you have made a speciality of one branch or another: and yet they are so



interdependent that no one subject can really be divorced from the rest, each must be discussed in its relations to the other cognate interests.

### **Agricultural Education.**

In my tours the claims of the people for agricultural education, for industrial and technical schools and for agricultural farms have been severally urged upon me, and wherever such institutions already existed I have made a point of visiting them and seeing at first hand the work they are doing. We desire to see these institutions increased and developed, but as I have pointed out progress in such a matter must be conditioned by the provision of a trained staff. In the meanwhile the organisation of Agricultural Associations would go some way towards securing the desired result; as by this means it will be possible to bridge the cultivators into touch with the scientific work of the Agricultural Department, and by demonstrating the advantage of improved methods to induce them to adopt them on their own holding. I have seen some of the results of such organizations in Western Bengal and I was much impressed with their possibilities.

I am interested to see that two of the resolutions recommended to Government that the commercial aspect of farming should be demonstrated and that it should be shown that farming, whether on a small or a large scale, can be made to pay. The former I presume needs no demonstration, as the greater part of the population of Bengal depends on agriculture for its livelihood; but it would certainly be interesting to see how far large scale farming can be made to pay. I believe that experiments have already been made in certain parts of the Sunderbunds and farming forms the basis of various schemes for the solution of the unemployment problem among the middle classes; I have no doubt that this Conference will be able to give Government useful advice on this subject.

### **CATTLE BREEDING.**

Another important problem on which your advice will be of value is that of improving the breed of cattle. I was at Rungpur



in March and saw the cattle farm there, where important progress has been made in evolving the best breed of cow for milking purpose, and I imagine that where your advice will be most welcome will be in showing on what lines the results of these experiments can be brought to the knowledge of the farming population.

I notice that the Co-operative Department have tabled one very important resolution namely, that which recommends the development of special forms of co-operative societies. Until quite a few years ago the idea appeared to be prevalent in India that the co-operative principle could be or need be applied only to credit ; but with a greater understanding of the system and the principles underlying it, people have come to realise that it can be extended to other activities such as irrigation, weaving distribution and so on. From what I myself saw of the work of the irrigation societies in Bankura and Birbhum Districts I can sympathise with your desire to increase the staff of those who can advise and direct your efforts, and I have no doubt that the resolution on this subject will be carried in spite of the fact that the Retrenchment Committee recently recommended not an increase, but a reduction, in the number of these officials.

## **AGRICULTURAL BANKS.**

### **Baroda Government's New Act.**

The text of the Baroda Government's new Act dealing with the Agricultural Banks working on a co-operative basis has been published in the "Adnapatrika" (Baroda Government Gazette.) The following is a summary of its main provisions :

The Act lays down that such agricultural banks as have been registered already by a special sanction of the Huzur, will now



be taken as registered under this Act and their rules and regulations will be in force, till they are changed in pursuance of this new Act. The public companies Act of Samvat 1975 will not apply to the Banks registered under this Act. The banks to be registered under this Act must have the aims mentioned below and must be prepared to lend money to individual farmers and not merely to credit societies. The aims of the institutions so registered should be to give loans to agriculturists, to relieve them from their previous debts or to improve the technique of their farming, or loans for developing trades subsidiary to agriculture, loans to registered societies or to start stores of agricultural implements for the purpose of hiring them out, to provide good seeds to the farmers, to sell agricultural products, etc. The membership of the banks, which is open to individuals and societies, will be by holding shares, which should be worth Rs 10 each. Each bank has to specify the exact area in which it is to carry on its operations,

The banks will be allowed to raise their working capital through shares, deposits and loans obtained but the amount of the last two should in no case be more than five times the amount of paid-up capital plus the reserve funds. Before an application is made for the registration of such a bank, at least twenty-people must come forward to found the bank and they must have applications for shares of the total value of Rs. 25,000. The shareholders are to have as many votes as the number of shares they hold but in no case more than fifty votes will be allowed to one shareholder.

The loans given by the banks to agriculturists in the form of seeds and manure or money to purchase those things, will have a prior claim for repayment from the proceeds of the crops of the borrower within eighteen months from the date of the loan over all other claims and in the same way the loans for the purchase of cattle, fodder, agricultural implements will have a prior claim on these articles except in the case of government dues for land revenue. The shareholder is also given some protection inasmuch as his shares in the bank are not liable to be attached in the execution of any decree made by any court, except in payment of his dues to the bank itself. These agricultural banks are given all the facilities with regard to the freedom from liability



to pay stamp duty, registration fees. court fees, income-tax etc., extended to other co-operative societies. Another facility afforded to the banks is that the shares held by the government in such banks will be entitled to receive a dividend not exceeding five per cent. But the Government has reserved to itself the right of appointing two directors on the board, the senior of the two working as president of the board. The Act also requires that the banks must credit twenty-five per cent of their profits every year to a reserve fund, before distributing them to the shareholders.

## **CO-OPERATION IN MYSORE.**

### **Mysore Co-operative Societies.**

#### **A YEAR OF STEADY PROGRESS**

The annual report of the co-operative societies in Mysore go to show that there are now 1,522 societies in existence. The working capital increased from Rs 81,97,280 to Rs84,09,478 or by 2.5 per cent. as against 4.8 per cent. in the previous year. The societies issued loans to the extent of Rs. 53,20,091 of which Rs. 40,51,127 was for productive purposes and Rs. 10,16,098 for the purpose of relieving members of their indebtedness. Loans amounting to Rs. 2.69,018 were issued as against Rs. 33,63,578 in the previous year.

The Reserve Fund of the societies increased from Rs. 8,49,532 to Rs. 10,16,357. The fund at the credit of the central societies amount to Rs. 1,62,470. Out of the total reserve about a lakh of rupees is invested in Mysore Government Bonds and about 2½ lakhs have been utilised for building purposes and for acquiring sites.



The central societies held a deposit of Rs. 12,89,544 at the close of the year. Nearly 11 lakhs are from non-members. The total transactions of all the societies amounted to Rs. 2,54,27.796 resulting in a net profit of about 4 lakhs.

The Hon. Secretary, the Mysore Provincial Co-operative Bank, Ltd., writes :—

A meeting of the representatives of the Co-operative Societies in the Bangalore City was summoned by Mr. K. H. Ramayya, B. A., Bar-at-law, Registrar of Co-operative Societies in Mysore and it met at 9 A. M. on Tuesday the 12th instant in the Hall of the Fort A. V. School, Bangalore City, under the Presidency of Rajakaryaprasakta Rao Bahadur M. Shama Rao, M. A. The subject put forward for consideration by the Registrar was the establishment of a propagandist Institute to give a stimulus to the co-operative movement as a whole in the Mysore State. As a beginning 30 delegates representing 20 societies in Bangalore City attended the meeting. Mr. K. H. Ramayya, Registrar, requested M. M. Shama Rao to kindly speak to the members assembled about the proposed propagandist Institute. Mr. Shama Rao clearly explained the origin and the growth of the co-operative movement in India and compared it to the development in Japan and other countries which had recently adopted the co-operative moral. He impressed on the audience the necessity of a proper organization to spread the movement more intensively as well as extensively in the State. He referred to the several benefits the movement could confer on the people and then read out his notes on co-operative propagandism, which clearly explained how the propaganda work was carried on in several countries such as Ireland, England, Russia, France, Germany, Finland and in the provinces of India particularly in Bombay, Madras and Bengal and how Mysore was badly in need of a similar organization for the purpose, Mr. K. H. Ramayya, Registrar, vigorously supported all that Mr. Shama Rao had said and gave out his observations on the good work of the Bombay Central Co-operative Institute and also the selfless work of the non-official gentlemen in the cause of co-operation in the Bombay Presidency which he recently visited to preside at the Karnatak Divisional Co-operative conference held at Bagalkot. He gave an interesting account of the work done by the cotton sale societies and how



pure cotton had become possible to obtain. He also gave an account of how House-building Societies worked in those parts and how it had become possible for the middle class people to own decent houses and live in comfort in them by easy payment of the cost of the houses spread over a number of years. He laid stress on the necessity of a non-official agency coming to his help by taking up propaganda movement. He was sure they could all count upon the gracious sympathy and support of Their Highness the Maharaja and the Yuvaraja of Mysore for a well organised and properly conducted institution. He hoped therefore that his invitation to start an organisation of the kind required would receive enthusiastic support from all Co-operative Societies in the State as well as from all co-operators.

Mr. Shama Rao then explained the draft bye-laws of a co-operative Propagandist Institute framed by him. It was unanimously agreed that such a propagandist institute was necessary for Mysore and a resolution was passed that such an institution should be started as quickly as possible. To consider the draft bye-laws in detail and adopt them formally a second meeting was found necessary. It was accordingly settled that another meeting should be held on Saturday the 23rd inst. at 6 p. m. in Tippu Sultan's palace.

## CO-OPERATION IN MADRAS.

The co-operative credit movement has made considerable progress in the Madras Presidency. It appears from the administration report for 1922-23 that the total number of societies increased from 7,389 to 8,443, the percentage of increase being 14.26 against 17.5 in the previous years. The membership of the societies increased from 461,002 to 530,191, the percentage of increase, 15, being almost the same as last year when it was 15.8. Agriculturists numbered 305,027 against 260,830 and non-agriculturists



165,857 against 145,675, the increase being 17 and 13.8 per cent., respectively. Tenant membership increased from 38,747 to 45,224 and that of field labourers from 18,208 to 24,138. Evidence of the headway which co-operation is making amongst the depressed classes is furnished by the figures for Audhi-Andhra and Audhi-Dravida membership which rose from 42,891 to 52,856, the percentage of increase being 23.2 against 28.4 in the previous year. There was thus a satisfactory expansion under every head. The slight fall in the number of new societies registered, 1,054 against 1,100, is not a matter for regret. Since the beginning of 1919-20 when the total number of societies was only 3,676 the rate of expansion has been so rapid that there has been a danger that the formation of new societies would outrun the provision of efficient means of supervising them. The time has, therefore, now come for subordinating to some extent the formation of new societies to the consolidation of existing ones and this policy was rightly adopted by the registrar and his staff during the year under review.

There has again been a satisfactory increase under all heads. The deposits in Central banks include a sum of Rs. 37.56 lakhs representing the investment in such banks of railway cess, surplus funds of local boards and municipalities, deposits of abkari and jail contractors and similar items which would ordinarily have been deposited in government treasuries. Whilst the extensive advantage which has been taken of the permission accorded by government to divert these two co-operative banks is a gratifying tribute to the confidence of the general public in the stability of Co-operative banks it is unfortunate that the surplus in the funds of the Madras Central Urban Bank and the Christian Central Co-operative Bank which resulted should have caused embarrassment. The government trust that, as anticipated by the registrar in his report, this embarrassment has proved of a temporary character only and that the reduction in the rates of interest charged by the Madras Central Urban Bank from  $7\frac{1}{2}$  to 7 per cent. and the general development of the movement have facilitated the absorption of the surplus. There was again a satisfactory increase in the profits of central banks and non-agricultural societies but against the divisible profits of those agricultural societies which were able to declare profits amounting to Rs. 4,21,238 has to be set a loss of Rs. 4,77,123 incurred by the remaining societies of



this class. These figures are not so unsatisfactory as they appear at first sight, In considering them, it has to be remembered that the practice followed in this presidency is to exclude from the nett divisible profits of co-operative societies all overdue interests as well as interest which has accrued though it is not yet overdue on loans on which interest is already overdue. A very large amount of interest due to agricultural credit societies is outstanding. If the interest owing to agricultural societies, almost all of which will doubtless eventually be paid, were taken into consideration, their profit and loss account would present a very different appearance. While the government fully admit the severity of the handicap under which primary societies in large tracts of the presidency, especially in the ceded districts, have laboured owing to a succession of bad years, they are unable to regard with equanimity the steadily increasing percentage of balance to demand. The co-operative movement exists to stimulate thrift and the extent to which arrears increase cannot but be regarded as a measure of its failure to achieve its object.

The development of forms of co-operation other than credit both agricultural and non-agricultural, continues to make very slow progress. The majority of agricultural trading societies worked at a loss and the figures both for sales of goods to members and for purchase of members' products showed an appreciable fall on those of the previous year. The only inference which can be drawn from the fact that the saving on the joint purchase made by agricultural credit societies which amounted in value to Rs. 1, 76,450 was Rs. 7,729 only whilst that on the joint sale of their produce was Rs. 1,392 on total transactions of Rs. 33,788 is that this branch of their activities is not very efficiently organised. Whilst the registrar has given a brief description of the activities of some agricultural societies of special interest, he has made no reference to any joint efforts by the Co-operative Department and the Agricultural Department to use co-operative societies as a means of disseminating agricultural improvements. It would thus appear from the registrar's report that the two departments are not working together to this end. This is far from being the case and the government desire that any joint work which is being done by the two departments should in future be specifically mentioned both in the registrar's report and in that of the Director of Agri-



culture. The continued deterioration of the weavers' societies deserves special mention. Co-operative work amongst the weavers has always presented special difficulties for many reasons prominent amongst which is the lack of business, knowledge and experience amongst members of this community.

—*Commerce.*

After extending a hearty welcome to those present at yesterday's Conference of the Departments of Agriculture and Industry the Hon'ble Mr. Ghuznavi, Minister in charge in course of his speech said :—

It is the breakdown of agriculture as an industry which is to-day responsible for the extreme unhealthiness of our once prosperous motherland and of the economic impoverishment and physical emasculation of her people. Even the very atmosphere of political discontent through which the country is now passing and the serious situation created by the unemployment among the middle class "bhadrals" of this province have their origin in the breakdown of the agricultural profession. It behoves us, therefore, to give the most careful consideration to the problem of resuscitation of our greatest industry as the only means of securing the health, prosperity and contentment of our people and of enabling us to take our rightful place among the nations of the world.

#### WANT OF ORGANISATION.

Why has agriculture fallen into its present depressed condition in Bengali ? Nature has not given us grudgingly of her resources. But although the soil of our country is the most fertile in the word, other countries which have had to contend against unfavourable natural condition have left us far behind in agricultural development. The reason for this is to be sought in the first place in our want of organisation and system in the regulation of this important industry and secondly in our loss of the conception of the dignity of labour as a consequence of which the educated classes have given up the practice of agriculture as a profession and



have left it to be pursued by the illiterate sections of the community. No wonder therefore that agriculture has ceased to be a remunerative profession. And the inevitable result of this has been national poverty and national decline in health, manhood and morale. The time has now come, gentlemen, when we must make the great industry of agriculture *remunerative*. We must infuse into our youngmen a proper sense of the dignity of labour and induce them to take up agriculture seriously as a profession through which they can earn an honourable and an ample livelihood. We must get the best brains of the country to harness science, industry and practical wisdom to the cause of the improvement of agriculture and we must introduce organisation and system into it so as to secure for every section of the community engaged in this profession its rightful share of the proceeds of its labours.

#### CAUSES OF DETERIORATION.

We are assembled here to-day to consider the practical ways and means to secure this object and in order to be able to do so we must go to the root causes which make our chief national industry unremunerative and unprogressive. These causes are not far to seek. The extreme poverty of the cultivating classes makes them unable to invest the necessary capital in the agricultural industry, while their illiteracy and their backwardness stands in the way of their appreciating and adopting the improvements as a result of scientific research. The smallness of the holdings is in itself a serious drawback to the introduction of improved methods and of the use of machinery, but this disadvantage is aggravated a hundredfold by the extreme *fragmentation* of every holding which entails much waste of time, space and labour and renders all improvements a practical impossibility. In many parts of the country the success of the harvest depends on a precarious rainfall and facilities for irrigation are badly wanting. The cattle of the province have declined in size, power and efficiency to the serious detriment to the agricultural industry and the milk supply of the people. Even where the cultivator succeeds in obtaining a good crop he is unable to get the best terms in the market either in the matter of selling his produce or buying his requirements and he is thus unable to enjoy the full fruits of his toil. So far



as the educated classes are concerned there is a deep distrust in agriculture as a paying proposition and a consequent disinclination to take it up as a profession.

I want your co-operation, gentlemen, in a united national effort to remove these root causes of agricultural deterioration. Let us take up and consider each of the above causes separately.

#### INDEBTEDNESS OF CULTIVATORS.

First then as to the indebtedness of the cultivators. This can only be remedied through the supply of co-operative credit and considerable progress has already been made in this direction in the province. The progress achieved in the formation of co-operative credit societies in the province has been most gratifying since 1912. There are now about 9,000 co-operative credit societies in Bengal with a working capital of nearly Rs. 2 crores and a membership of nearly 2 lakhs, while the Bengal Provincial Co-operative Bank which is the apex bank of the movement and the working capital of which is already approaching a sum of Rs. 40,00,000 serves the purpose of linking up the financing of agriculture through the Central Banks with the financing of trade and commerce through the Industrial and other Joint Stock Banks. The rate of organisation in the last seven years has been four-times as great as in the first thirteen years of the co-operative movement. Although this rate of increase is satisfactory as far as it goes, we must redouble efforts; for, to organise the whole body of Bengal cultivators for credit we require at least 1,00,000 societies. I appeal to you therefore to help in propagating the the gospel of co-operative credit throughout the land and to ensure that within the next decade every village in the province will have its own co-operative credit society, its own co-operative credit bank for the supply of cheap credit to the cultivating classes, thereby enabling them to shake themselves free from the clutches of the usurers who are sucking their very life blood.

The next requirement in order of importance is the introduction of scientific agriculture. It is difficult enough even in western countries with an enlightened tenantry to keep the cultivators posted in the results of scientific research and to persuade him to adopt new methods, but the difficulty is multiplied a



thousandfold in this country where the ignorance and illiteracy of the cultivator renders the bulletions and reports of Government a sealed book to him. To overcome this difficulty and to bring the result of scientific research to the very door of the cultivators. we must organise them in groups; we must stimulate the formation of agricultural associations throughout the country—associations in every district, in every sub-division, in every union, nay, in every village, where all those engaged in the agricultural industry may meet periodically, exchange their ideas and practical experiences to each other's benefit and obtain from the expert officers of government the benefit of their practical advice and the knowledge of the latest results of scientific research. It is impossible for Government to operate separately on millions of inhabitants. Government can only operate on groups of individuals organised in such agricultural associations. This has been already realised in several districts, notably in Birbhum and Bankura and also in Burdwan, Hooghly, Nadia, 24-Parganas, Murshidabad and Jessore, where District Agricultural Associations are reported to be doing good work. Excellent work is also reported to have been done by agricultural associations at Manikganj, Baidyer Bazar, Munshiganj and Kishoreganj. But progress hitherto achieved in this matter is, you will admit hardly sufficient to bring every cultivator into close touch with the results of scientific research, and what is needed is a strong movement for the organisation of similar associations in every district with village associations affiliated to them. Government are prepared to lend every assistance and encouragement to the formation of such associations and all that is needed is the active co-operation of the educated members of the community without which it is obviously impossible to organise the cultivators and to ensure the successful working of the associations. We have also a few of agricultural associations on the co-operative basis in the district of Pubna which are still in an experimental stage and similar organisation will, I hope, be formed in other suitable centres.

I come now to the third and fourth causes of agricultural backwardness, namely the extreme and uneconomic smallness of the holdings and their excessive fragmentation into small isolated plots. As I have already observed, these drawbacks involve an



enormous waste of time, labour and energy in the process of cultivation. We must encourage and help the cultivators to increase the size of their holding by demonstrating the profitability of economic holdings worked on scientific lines.

#### GOVERNMENT FARMS

It is true that the work of scientific experiment is the most important work of every Government farm, but at the same time it is obviously necessary that the results of these valuable experiments should be illustrated in actual practice before the cultivators.

That Government have a duty in demonstrating profitable agricultural to the cultivating classes I frankly recognise and to this end attempt will henceforth be made to demonstrate the profitability of scientific agriculture in Government farms by conducting a portion of each farm on business lines as a paying concern, the accounts of expenditure on this part of the farm being kept distinct from that on the experimental portion. This, however, is not enough. The cultivators must be helped to consolidate their holdings. Much progress has been made in this direction in the sister provinces of Madras and the Punjab, but Bengal lags behind. Our land system no doubt presents its peculiar difficulties in this matter which are enhanced by our laws of inheritance, but I feel sure that the difficulties can be overcome if we can enlist the sympathies and the active co-operation of the zemindars of the province in the work of consolidation of the holdings of their tenants. Co-operative organisation for this purpose and for joint cultivation is absolutely necessary in the interest of the cultivators in order that in spite of their small holdings they may secure the advantages of large scale farming, introduce the use of machinery through co-operative effort and thus considerably enhance the out-turn of the soil. I can assure you that Government will do all it can through its departments of agriculture and co-operation to organise the cultivating classes for the purpose of consolidation of holdings and joint cultivation, but in a work of this kind success will depend largely on the necessary propaganda and educative work which can only be carried out by non-official agencies and in particular by the land holding classes.



Next comes the question of irrigation, a question of vital importance to the agricultural industry. In a country like ours where the rainfall is not well distributed throughout the seasons of the year the importance of irrigation as a factor in agriculture is obvious. Not only will facilities for irrigation extend the area under cultivation and secure the safety of the standing crops, but in tracts where paddy is only grown at present irrigation will make it possible to grow other crops and particularly rabi-crops and add much to the resources of the cultivators, thus furnishing additional source of wealth to the country. But while irrigation can be usefully applied to many parts of the province it is of special importance to the comparatively dry tracts of western Bengal. The last census has revealed the alarming fact that almost the whole of western Bengal is in a seriously decadant condition and is threatened with depopulation. This is due directly to agricultural deterioration and indirectly to unhealthiness as a result of agricultural deterioration. The agricultural deterioration which thus directly and indirectly threatens the depopulation of western Bengal is itself attributable to the absence of irrigation facilities and so the silting up of the sources of irrigation which exists in that area. Fortunately the people of Birbhum and Bankura under the wise guidance of their leaders have already set to work to remedy this evil through enlightened self-help and have started a movement for the re-excavation of irrigation tanks and construction of irrigation works through the co-operative method. The name of Rai Bahadur A. C. Banerjee, the indefatigable and public spirited Chairman of the Birbhum District Board deserves special mention in this connection. Our present Secretary Mr. Dutt while District Officer of Birbhum and Bankura was also responsible for this and other co-operative and agricultural activities in these districts. Gratifying progress has already been made in these two districts in the formation of co-operative irrigation societies and their example has spread to the neighbouring districts of Hooghly, Burdwan and Midnapore. The Government have received urgent representations both from officials and non-officials of these districts for the supply of an adequate staff to assist in the organisation societies. Speaking on behalf of Government I may say that we not only fully recognise the importance of this movement but we consider that the people



of these districts have shown a spirit of enlightened self-help which the other parts of the province will do well to emulate and although difficulties of provincial finance still continue to present serious obstacles, Government recognise that these districts have established a special claim for assistance in the matter and we shall endeavour to supply the necessary staff required for the purpose of organisation.

#### IMPROVEMENT OF CATTLE.

But while there has been a general awakening throughout the province as to the importance of irrigation in relation to agriculture it is a matter of regret that the important place which our cattle occupy in the national economy remains yet to be realised by our people. In times of old not so far back, the cattle of the country were well-fed and efficient as we read in the Aini Akbari and other books of Akbar's time. What a different picture they present to-day Ill-fed and ill-bred they are poor in quality and inefficient both as a source of supply of power for the agricultural industries and as a source of the milk supply. They are easily susceptible to the attacks of infectious diseases and succumb in thousands every year. It has been truly said that if you want better crops, heavier crops and more crops, you must improve the bullock power, the quality and efficiency of the bullock and if you want the population to be healthy in a country where meat eating is not largely restored to, you must improve and expand the sources of the milk supply. The improvement of the cattle can be effected by better breeding and better feeding. In the matter of breeding Government are already assisting by evolving in their farms at Rangpur and Dacca the best type of bull required for the province. For this purpose experiments are being made by crossing country cows with Hissar, Hansi and Montgomery bulls and recently I have sanctioned arrangements for obtaining Ayrshire bulls for the Dacca farm. Young bulls from these farms are being placed at all Government Agricultural Farms and are being offered to District Boards for their Veterinary Dispensaries. It is for the District Boards and well-to-do people of the province to co-operate in the work by buying these pedigree bulls for breeding



purposes and by themselves opening bull breeding farms of their own. Much improvement can also be effected by a judicious selection for breeding purposes of the best among the country bulls. In all these matters a great deal of propaganda is necessary to impress the essential principles of cattle breeding among the population, to popularise the use of sera and other disease preventives to introduce the cultivation of fodder crop and to encourage the holding of cattle shows, where correct information on the subject of cattle breeding may be propagated to the people.

But even if we succeed in introducing all the improvements in the agricultural industry by the methods indicated above, we shall fail to help the cultivator unless we can ensure to him the full fruits of his toil. Gentlemen, the modern world is a world of keen struggle for existence where only the fittest survive and in the industrial world survival depends on organisation alone. Unless therefore we are prepared to see our cultivators ruined in this unfair competition owing to their present isolation in this merciless struggle for existence, we must proceed to organise them for production and for sale as well as for the purchase of their raw materials. This organisation can be best effected by the co-operative method—a method which has proved eminently successful all western countries and notably in Italy, Ireland, Switzerland and Denmark, where the small cultivator thus organised has successfully withstood the competition of the industrial world. Let us proceed to organise our own cultivators by this method in societies for the production and joint sale of such important staple crops as paddy and jute, but especially jute. Government will lend the services of their officers for the work of organisation, but the work of propaganda is even as important as the work of organisation and for this work I appeal to the zemindars who are the real leaders of the people and also to the educated classes, and I can assure them that on the strength of cultivators depends ultimately their own welfare and the stability of the country.



To

THE EDITOR

**THE BENGAL CO-OPERATIVE JOURNAL.**

(The editors associate themselves with this appeal and hope that a generous response will come from the public)

Sir,

May I through the medium of your esteemed Journal take the liberty to appeal to all Co-operators in the Province for help to a family left in indigent Circumstances through the sad death of a poor Coop. Officer who was its sole bread earner.

Heramba das Mahapatra an auditor of the Dept. recently died in the prime of his life whilst in service. He has left behind a young wife two children and two minor brothers and also a debt of about Rs. 700/-

Any amount however small will be gratefully accepted by the Manager, Bengal Provincial Co-operative Bank. 6, Dacers Lane Calcutta, who has kindly consented to act as Treasurer.

Yours truly,

Midnapore.  
5-8-24

{

MANMATHA NATH BOSE  
Secy :—Central Bank  
Midnapore.



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TULSIDAS DE,

*Manager,*

*Bengal Provincial Co op. Bank Ltd.*

*Calcutta, 22-10-24*



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# **The** **BENGAL, BIHAR** **AND ORISSA** **CO-OPERATIVE** **== JOURNAL ==**

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## **NOTES AND NEWS**

We cordially welcome Mr. J. M. Mitra permanent Registrar of Co-operative Societies, Bengal, back in our midst after nearly a year's hard and successful work in England in connection with the British Empire Exhibition. We sincerely hope that Mr. Mitra will be spared to remain at the helm of the co-operative movement in Bengal for many years to come and we have no doubt that the dept. will profit by his wider experience. The Bengal Co-operative Organisation Society will always look upon him as its friend, guide and Patron, and will now anxiously await his initiative in the matter of the reconstitution of the Society.



In this connection we cannot help reiterating the fact that so far as this side of the movement is concerned, other provinces have already made rapid progress while we in Bengal are lagging behind. We would earnestly ask our brother co-operators to think for the movement as a whole and a feel for it. Let them realize that this co-operative movement is destined to uplift our country in every direction, and that the co-operator's motto "Each for all and all for each" will remain meaningless so long



as the individual co-operator confines his interest only to the society with which he happens to be connected. A broader outlook is required if the movement is to occupy that position in our national system which all co-operators desire.



We beg to draw the special attention of our readers to the inspiring address on 'Village Re-organisation' recently delivered by Mr. G. S. Dutt, I.C.S. at the Meccano Club. The address is the outcome of deep thinking backed by several years' practical experience and will be found very useful to those who have set themselves to the task of reconstructing our decaying villages. In fact we would very much like to see the address broad-casted throughout the length and breadth of this Province. Mr. Dutt is essentially a man of action and we are not surprised that every line of his address blows the trumpet call to the youth of this Province to take up constructive work. Mr. Dutt has dealt the subject in a masterly way. It is a timely utterance and every reader is sure to profit by it.

Elsewhere we publish an account of a meeting held under the auspices of the Bengal Co-operative Organisation Society to discuss Co-operative Housing in an informal way. It is very encouraging to find that Mr. Mitra soon after his return from England has taken up the matter in hand. The further development of the scheme will be awaited with interest.

We invite the attention of co-operators in this Presidency to the instructive and interesting proceedings of the Third Bombay Co-operative Conference which met under the presidency of the Hon'ble Mr. B. V. Jadhav, Minister of Education. The speech of the President of the Central Co-operative Institute was of a boldly critical character and hence all the more valuable. He drew attention to the great predominance of credit co-operation in our country and to the comparative backwardness of other important forms of co-operative effort. He contrasted with the development of credit co-operation in Bombay the fact that there were only 19 store societies "most of these being in a more or



less moribund condition, and only 20 Housing Societies, more or less marking time and largely tinkering with the Housing problem." Productive co-operation, which is a very great desideratum, is almost conspicuous by its absence. There are few even of credit societies which make loans for productive uses and purposes; even so the amount of loans given out by them are too small to be useful for trading and business purposes. For the class of merchants and petty traders, who require loans for business purposes, the President advocated the organisation of numerous Peoples' Banks in various localities. He then passed on to the burning question of overdues and here he advocated an alteration of the basis of sanctioning loans to members of credit societies. An effort should be made to regulate the amount of the loans by the deposits shown by individual members; thus alone can any hopes be entertained of tackling the problem of overdues which is assuming serious proportions. He also noted that the Depressed Class Societies with unlimited liability which were started under the Debt Redemption Scheme had failed and he quoted an observation of the Registrar to the effect that they had proved more a warning than an example.

We take off our hat to the President of the Bombay Central Co-operative Institute for such outspoken and useful criticism. Bombay has admittedly secured more than her share of laurels in the co-operative field, so that such timely warnings cannot affect her prestige, but will on the other hand hearten and instruct the co-operators not only of that Presidency but those of other parts of our country.

The resolutions of the Bombay Co-operative Conference ranged over a wide and varied field. Employers are urged to give the lead in the formation of Thrift and Provident Societies which should secure a system of compulsory savings and of substantial sums to be paid to the members on retirement or on death. As regards Housing Societies, Government is requested to extend the granting of loans to members of such societies on the security of their individual tenements to the extent of 75



per cent. of the cost of construction of their tenements. It also recommended that credit sales of the nature of deferred cash payments should be allowed, with due regard to the avoidance of possible losses in order to promote the development of Consumers' Societies. As difficulties were felt by college students in Bombay owing to the inadequacy of Hostel accommodation in Bombay, the Conference has appointed a Committee consisting, among others, of heads of local colleges to organize Students' Co-operative Hostels. The suggestion deserves to be taken up in Calcutta where the number of college students as well as the difficulties of accommodation are much greater. A scheme is under contemplation for opening a co-operative restaurant in the business quarter of Bombay for the benefit of the clerical staff of the firms and offices where wholesome food and refreshments would be available at reasonable rates. In passing we would point out that Calcutta could easily do with a great number of such restaurants without prejudice to the privileges of the local *Moiras*. Bombay is also thinking of amending the constitution of the Central Co-operative Institute so as to give the representatives of the societies a larger voice in the management of its affairs. Before taking leave of Bombay co-operative schemes we might express our admiration of the great and prominent part which the lady co-operators of the Western Presidency are taking in its conferences and co-operative enterprise.



We beg to commend the following extract from a recent number of the *Madras Bulletin of Co-operation* to the attention of the enlightened co-operators of this Presidency: "Owing to the want of space we have been, much to our regret, forced to keep back quite a number of articles, reviews of books etc. which have been with us for a long time." We devoutly hope for the arrival of the day when the table of the editors of this *Journal* will be covered with such an embarrassing plethora of articles. With the high intellectual and co-operative development of Bengal the local journalistic output on co-operation should be much greater than it is. But somehow so far we have never experienced difficulties like those of which our esteemed contemporary complains.



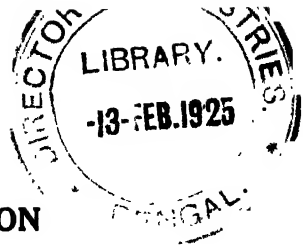
Very interesting experiments are being tried in Madras in the development and utilization of Labour Unions of a co-operative character and Mr. Venugopal Naidu Garu, the President of the Labour Union at Pattukotai has published an excellent account of these activities. He derives his inspiration from the following dictum: "If co-operation is to succeed you should have the co-operation of the labourer. I am asking you as co-operators to pool all this labour in your own country so that your co-operative work may proceed onward." The idea is, in a word to pool the spare hours of work of the Indian agriculturist. The great difficulty in the way is, to overcome the opposition and competition of the capitalist who "is straining every nerve to throttle the infant society." The taluks of Pattukotta and Arantangi have been selected for starting the new unions because the energies of the local capitalists are absorbed in operations outside the local limits and because the rains in these districts are very irregular. Hence the need for such unions is particularly great in these areas while the environment is favourable. The membership of the unions includes both "labourers and non-labourers, the latter being admitted as men of leading to help the labourers in the initial stages to organise labour, make it efficient and honest and to furnish the initial share capital required for starting the work." At Arantangi the gravel quarries furnish work for hundreds of labourers and the gravel is supplied to the District Board and Railway authorities. The first difficulty is to find the men to supervise and advise the labourers and means are being found to overcome this hindrance. It is obvious that the Government as well as the local Boards should encourage such undertakings by showing some preference to them and it is to be hoped that such appeals will always be promptly responded to. Mr. Naidu Garu adds that "the Labour Unions are under the supervision of the offices of the Government and hence the evils of perpetrating fraud in executive work of the public bodies and the Government are very much minimised".

The latest Report on the working of the Co-operative Societies in Assam shows a steady progress in the last quinquen-



nium—which is much more satisfactory than any meteoric expansion. During the period of which we are speaking the number of societies has nearly doubled, while the number of members and the amount of working capital have more than doubled. The business done by the credit societies during the year showed also a very satisfactory increase, as is remarked in the Resolution on the Report; for the number of the new loans issued to members has risen from 6 to  $7\frac{1}{2}$  lakhs, while the recoveries increased from  $4\frac{1}{2}$  to  $5\frac{1}{4}$  lakhs in round figures: It is to be regretted, however, that the number of non-credit societies decreased from 27 to 16. This decrease is accounted for by the liquidation of some of the stores societies which had not been working satisfactorily. The stores were started as usual in the midst of great enthusiasm, but later on their prospects were clouded by apathy and want of support from members. The last stage was hastened by the system of large credit sales which locked up a good deal of money with the inevitable result of loss. Though this *denouement* is unsatisfactory, it is to be remembered that almost all over India the problem of an efficient and successful management of stores has yet to be solved. Even in such an advanced province as Bombay with its highly developed commercial experience, skill and instincts there is the same story to tell. As the President of the Central Co-operative Institute observed “The store societies present to us a tale of failure, almost unmitigated failure. Most of the nineteen societies are past even struggles for existence and may be regarded as awaiting cancellation.”





## VILLAGE RE-ORGANISATION

*Address by G. S. DUTT, Esq., I.C.S., at the Meccano  
Club, Calcutta.*

The village has aptly been described as the cradle of the race. On the prosperity of the villages and the welfare of the villagers depends the strength and prosperity of the nation. While this is true of every nation it is a matter of specially vital importance to our own country. No less than 93 per cent. of the population of Bengal live in her villages. These villages are to-day in a most deplorable state of decay and the obvious symptoms of this decay and degeneration are: ignorance, poverty, diseases and dissensions among the rural population. This decay and degeneration of the villages seriously endangers the welfare and progressive development of the nation. What then are the causes of this decay and degeneration and what are the measures that are necessary to remedy this evil? To ascertain both the causes as well as the remedies it is necessary to understand the law of social growth and development. Some people regard the question purely from the political standpoint. Others regard it from an economic standpoint while others from a sanitary or again from an educational standpoint; but on a mature consideration you will find that the real and complete explanation of the matter lies in no one of these directions but that it is essentially biological and sociological in character. You must understand the laws of growth and decay of the villages. You must understand the law of growth and development of human society; the law of social life and social biology. Government action is no doubt necessary. Economic remedies are also necessary, so are measures as to education and sanitation.

### THE PLACE OF VILLAGE IN OUR NATIONAL SYSTEM.

What is important however is to realise that mere Government action applied from the top or educational or sanitary systems carefully devised by the State will not alone solve the problem.



The first thing to realise is that we have to deal with live social organism. The nation is an organism, a complex social organism composed of the aggregation of many smaller organisms or groups of organism and the smallest unit in the social body—the smallest social organism is the village organism. We must realise the idea of the village as an organism. We must realise the idea of the village as an organism having life or at least capable of having its life revived and we must remember that to obtain any really lasting result we must not merely apply palliatives from outside or from above but that we must strengthen the organism like human beings to build up its wealth, its health and general welfare such assistance as the State or other agencies can render. The common idea of “saving” the villages by outsiders gives but a mechanical conception of society—as if by doing something external you can save the villages—whereas the truth is that you can only help the village organisms to live and thrive but that to be able to do so you must have the organisms in existence and in efficient condition and able to utilise your assistance and respond to outside action. If the organism is not in existence it cannot respond to any stimulus or influence and thus all outside action will ultimately be in vain.

Now what is the criterion of an organism? It has a corporate, organised life. It has a corporate consciousness. It has senses by which it can realise a corporate existence. It has limbs by which it can take measures to ensure the welfare of the whole organism as well as of its component parts; it has a common understanding by which it can devise and a common will by which it can enforce measures necessary for such welfare.

The Indian villages and the Bengal villages were at one time organisms in this sense. The old Indian village community was a compact and efficient organism, organised for common action in all matters of communal life. It no doubt had its defects as every human organism has its defects—for it was founded on a religious and caste basis and was therefore not quite suited to modern conditions. But while it lasted it served its purpose of ministering to the want of the village and of looking after its welfare.

This organism has completely disappeared. The causes of this complete disappearance are many and they are of a complex



nature and it is not possible to deal with them within the scope of the present address. But the fact is that the village organism has ceased to exist. In our national system we have villages and villagers but no village organism, no village community. The village organism has disintegrated into a multitude of disunited individuals, living, it is true, in mutual proximity but unconscious of their common interests and unconscious of the fact that for the welfare of the masses of human beings inhabiting the villages they should be organised into a unit and an organism, an organisation which could think and act for the common good of the whole unit. Instead of that organisation we have in actual fact what may be described as almost a state of perpetual war between the different individuals comprising a village, a state of mutual non-co-operation which is just as ruinous as active conflict. This being so, is it to be wondered at that the villages fall a victim to the natural enemies of humanity, *viz.*, ignorance, poverty and disease—with which humanity has perpetually to contend in all ages and to safeguard against which human society is constituted? Not only are there these natural enemies of humanity but the old economic isolation, security and self-sufficiency of the village having disappeared the disorganised villagers in this country have now to face the highly organised opposition and competition of the entire industrial world. Organisation can only be met and countered by organisation.

#### WE MUST ORGANISE THE VILLAGE FOR COMMON WELFARE.

You will see therefore that if we want to make the villages live again and the nation to survive against this two-fold struggle, *viz.*—one against ignorance, poverty and disease and the other against the various industrial organisations we must recreate the village in organic form : in other words, we must re-organise the village. We must create in each village or group of villages an organisation which will meet together, discuss matters of common interest, devise means for ensuring the common welfare and take action to enforce these measures with the help of the State and other bodies—a group in each village through which the State or other agencies of industrial or social welfare can operate on the whole body of villagers for their educational, social, economic and



sanitary progress. We must create what are called "Neighbourhood groups" for the defence of common interests and the satisfaction of common needs of the rural population.

This organisation may be of three kinds *viz* :—

- (1) Units of administrative organisation created by the State and with definite legal sanction and necessary executive and coercive powers.
- (2) Purely voluntary associations.
- (3) Semi-voluntary organisations created under permissive laws which have certain legal powers as between their members.

Under the first class come the Union Boards and Union Committees and similar organisations of local self-government created under legislative sanction. Under the second class fall the ordinary "Palli Samities," rural reconstruction societies and agricultural and welfare association and social service leagues, while under the third class fall co-operative societies for credit, production, sale, distribution and promotion of public health. It is not possible within the short compass of this address to dwell on the respective values of these three kinds of rural organisation but I may say once for all that the simultaneous existence and activity of all these three kinds of organisations is essential for the complete and satisfactory organisation of the rural population.

There is a vast field for work for these rural organisations to perform. These spheres of work may be classified under the heads :—

- (1) Wealth.
- (2) Health.
- (3) Education.
- (4) Amusements and Recreation.
- (5) Settlements of petty disputes.

Under Wealth come such matters as communications, creation of new industries, resuscitation of existing industries including agriculture as well as the organisation of the rural population for credit, production, sale and distribution. For all this work regard has to be had to science, education, organisation and



finance. Even the work of settlement of petty disputes falls under this head of measures to increase wealth; for the waste of money and resources on petty and wanton litigation is one of the most potent factors in the impoverishment of the rural population.

Under Health there is the work of the spread of knowledge of laws of health, the organisation and carrying out of sanitary measures and the creation of an organisation for the enforcement of such measures.

Under head Education provision has to be made for the universal education of the young as well as of the adults as also education of girls including vocational education for all three classes and the establishment of village libraries, circulating and stationary, and the arrangement for lectures of various kinds.

#### VILLAGE CLUBS IN ENGLAND AND JAPAN—OUR UNION BOARDS.

Provision for suitable amusements and recreations to make village life less dull and more attractive is a most important matter as a lack of such amusement and diversion is one of the chief reasons for the migration of the more advanced section of the village population in all countries to the town.

When I was in England three years ago what impressed me more than anything else was the organised attempts that were being made by the English Village Clubs Association composed of many of the most prominent leaders of English public life to resuscitate the English villages by the encouragement of agriculture, by inducing and providing facilities to educated men to settle down in the country in agricultural pursuits, by the spreading of adult education by the resuscitation of village industries and the creation and encouragement of new ones and by the holding of extensive lectures throughout the rural areas at various places in close conjunction with the Universities of Oxford and Cambridge and by the systematic organisation of amusements and sports to render village life more attractive. The efforts of the English Village Clubs Association is being actively supplemented by those of other voluntary organisations such as the Workers Educational Union and the Women's Institutes. Then again in Japan I found in every village voluntary agricultural associations



as also village clubs of young men engaged actively in constructive work in helping in the improvement of the village industries and agriculture. If this work is considered necessary for the welfare of highly industrial nations like England and Japan how much more important it is in India where village life represents a larger percentage of national resources both in men and wealth than in any other civilised country in the world and where any further neglect of village life is sure to be attended with disastrous consequences to the nation.

What then are the requirements of the situation? The first requirement is that this important field of work should receive far more thought, reflection and active attention from all sections of the community—from young men as well as from the old. Unhappily so far very little systematic consideration has been given to it by any responsible section of our people.

Let us take the first form of organisation, the organisation of a rural administrative unit. The present law of local village self-government in Bengal enables the formation of union boards for the discharge of essential rural administrative functions for the promotion of education, public health and the construction and maintenance of communications and from all accounts this system of rural organisation is working successfully in many parts of the province notably in Dacca, Burdwan and Birbhum. But unfortunately a great deal of misunderstanding has been allowed to spring up as to the nature and scope of these organisations and a considerable section of the people has taken a dislike to this form of organisation. What I would say to this section of our countrymen is this—that you must realise that a form of rural organisation is necessary for discharging the functions which these bodies are intended to perform. If you want to save the villages you cannot rest contented with even the best possible development of National, Provincial, or Municipal Government organised merely from above in large geographical districts. You have to create some “social tissue” for the routine administration of the common affairs of the village, for the management of the village school, for the relief of the sick and suffering; for the maintenance of the public health and the execution of public works and the organisation of the public services for rural needs and for



the protection of the life and property of the people and for the settlement of their disputes. It is impossible for the State to discharge these rural functions effectively. The State may help and indeed must help with funds, with advice and with the services of its expert officers in all these spheres of rural self-government but for the very utilisation of these forms of State assistance you require rural organisations otherwise you will not be able to utilise the State assistance effectively as is the case at present. It is regrettable that the importance of a suitable system of rural self-government has not yet been realised by our people. It is absolutely vital to the progress and improvement of the race and for the solution of such problems as water-supply, health and education. In the most civilised parts of Europe during the past three quarters of a century mainly by a development of local self-government, the expectation of life of the whole population has been actually doubled.' This will give you some idea of the enormous importance of an effective and proper system of local self-government in our country where an average short duration of life and premature death through preventable diseases present such a serious handicap to our progress. If the people of Bengal or some section of them think that the system of Union Boards devised to achieve this end is defective it is for the thoughtful section among them to ponder over the matter and to devise without delay a more effective and less objectionable system suited to our own local conditions; but it is imperative that a system must be devised if you want to save the rural population and therefore the whole country from ruin. If the present system is unsuitable let a more spontaneous and a more suitable system of grouping be devised which will take up this vital national work. There is ample field for investigation, research and experiment on the part of all thoughtful people and specially of those of our student community who are making study of municipal and civic institutions. Universal primary education for both boys and girls is of course a *sine qua non* as also suitable vocational education. But it would be impossible by mere State action to make provision for a complete system of universal primary and vocational education without the assistance of these rural organisations in developing, checking and supervising it.



### THE SUPREME NEED FOR ORGANISATION : VOLUNTARY AND CO-OPERATIVE ASSOCIATIONS.

Turning to the second and third forms of organisations, viz :—purely voluntary associations and the co-operative organisations, we have here a most splendid field for work for both young and old. Let the motto of everyone in the country be “organise, organise, organise”. Form groups, aggregations, associations, societies whether voluntary or registered under the Co-operative Societies Act. There is an illimitable field for propaganda for education and for organisation for health, wealth and general prosperity. Multiply social service organisations in the country, associations for agricultural improvement and economic improvement in every village, organise the people into “neighbourhood groups” and in co-operative societies for credit, production, sale and distribution. These associations will be in themselves a most potent source of adult education.

The splendid work which can be done by co-operative anti-malarial societies in the matter of uniting villagers for common action, of taking active and effective measures for the eradication of the dread diseases of malaria and kala-azar has been demonstrated by the organisation created by that illustrious countryman of ours Rai Bahadur Gopal Chandra Chatterji and I request you to join the organisation and to work actively in creating public health and anti-malarial societies in every village in the province. That agriculture can be improved effectively by the work of co-operative societies and that the societies when organised can raise thousands of rupees for their members for the execution of large productive works for irrigation and other purposes has been demonstrated by the Co-operative Irrigation Societies of Bankura and Birbhum as well as by other co-operative productive societies in the province.

These co-operative irrigation societies have already made a distinct progress in improving the health of the villagers and have thus rendered themselves less liable to disease and are a potent force in stopping the decadence of the districts.

These examples of Rai Bahadur A. C. Banerji in Birbhum and Babu Sasanka Sekhar Banerji in Bankura who are the leading



non-official spirits of the rural reconstruction movement in the 2 districts deserve emulation on the part of social service workers in all parts of the country.

#### THE BENGAL PUBLIC HEALTH ASSOCIATION AND THE BENGAL SOCIAL SERVICE LEAGUE.

An illustration of the response that may be created in the country by a purely voluntary organisation efficiently organised has been furnished by the admirable efforts of Dr. N. Bhattacharji of the Bengal Public Health Association. The fine work of this organisation in the district of Birbhum during the last hot weather in coping with the threatened outbreak of a very serious epidemic of cholera is well known. At his initiative hundreds of educated young men joined the Kodali Brigade and did literal "spade" work in digging tanks and wells and solving the problem of water supply on the spot. It is this spirit and this kind of organisation that is now wanted in this province. Then again the value of organisation for propaganda work in education, health and social matters generally is being demonstrated by the Bengal Social Service League under the active guidance of that indefatigable worker Dr. D. N. Maitra. I ask you to create branches of this splendid organisation in every village in the province. Dr. Maitra has also founded the Social Service Federation which organises systematic lectures and training classes on social service work and it is for those who want really to help in saving the villages from ruin to take advantage of these training classes and to enlist themselves as active workers in the field of social service.

Start on organising instead of merely criticising others and depending on mere Government action. The State can and must help. As a matter of fact the State has already substantially helped the efforts of the Central Anti-Malarial Society and other organisations.

#### STUDENTS AND VILLAGE ORGANISATION—THE EXAMPLE OF FINLAND.

So far as the young men of the Universities are concerned, the field of co-operation offers a unique opportunity. Let me



remind you of the example of the University students of Finland who when they saw their country lagging behind in the march of progress and getting economically impoverished banded themselves for the work of co-operative organisation and did not rest content until they had organised the whole country for co-operative production, sale and distribution, and thus not only saved their country from ruin, but brought it back to economic prosperity and to the rank of progressive nations.

#### VILLAGE RECONSTRUCTION DEPARTMENT OF THE VISVA-BHARATI.

It is a very encouraging sign of the times to find that investigations into needs of village reconstruction and training of teachers and village scouts in village reconstruction work has been taken up by the Sreeniketan Department, of Dr. Rabindra Nath Tagore's Visva-bharati University at Bolpur. Teachers and village boys are receiving regular training at the Visva-bharati in scouting, weaving, agriculture and other village industries. It is to be hoped that all village organisations, district boards and local bodies will avail themselves of this opportunity for training the teachers and juvenile workers in their areas in village reconstruction work. It is most important to impart to the students in rural primary and middle schools a distinct bias for agricultural and other rural occupations.

#### THE ECONOMIC ASPECT—THE DECAY OF VILLAGE INDUSTRIES— AGRICULTURE THE MOST IMPORTANT INDUSTRY OF THE COUNTRY.

So far as regards organisation. But before I conclude I may say a few words on the purely economic aspect on the important question of village organisation. The economic aspect, as you know, is a most important one. The decay of villages is in a very great measure due to the decay of the village industries and by village industries we mean agriculture first and foremost as well as other industries such as cottage industries and the like. The sooner you realise that agriculture is an industry and the most important industry of the country the better it will be for



our national development and for the resuscitation of rural life. Why are the villages decaying? Why are the people leaving the villages for the towns? It is because the rural industries including agricultural have proved unremunerative. Steps must therefore be taken to make them remunerative now. There is only one way of resuscitation of agriculture and other industries. It is by making them up-to-date in scientific methods and by ensuring adequate finance for them. This can be done in one of two ways. Either the rural population should be educated both generally and vocationally, so that they are in a position to introduce scientific methods and they should be organised for the purpose of credit to finance agriculture and other industries or the educated section of the people may take up agriculture and rural industries as their profession and run them on scientific lines. I have again and again urged on our educated young men to attempt to do so but unfortunately they consider it beneath their dignity. These false notions of dignity have yet to disappear from our country and the idea of dignity of labour which lies at the basis of all national prosperity has to be infused in our educated young men. My advice to you therefore, if you wish to resuscitate not only village life but the prosperity of the country as a whole, is that you should adopt productive occupation instead of merely hankering after Government service paid for by the tax payers of the country and take up agriculture and rural industries in large numbers as your profession.

THE EDUCATED MEN SHOULD LEAD THE WAY BY TAKING TO  
PRODUCTIVE OCCUPATIONS—UNPRODUCTIVE OCCUPATION—  
A NATIONAL WASTE.

It is only when educated men take seriously to agriculture as a profession that the many vexed problems of agricultural progress *e.g.*, the application of scientific methods, adoption of improved labour saving implements, large scale production in agriculture, the consolidation of holdings, etc., can be satisfactorily solved and this great industry made to yield maximum of wealth which it is capable of producing. But remember that it is agricultural prosperity and agricultural revival alone which can



ultimately solve the problem of health and wealth of the population. Nothing else will. Adopt the motto of the Taittiriya Upanishad (Annum bahu kurbita : tad bratum)—“Produce food in plenty; make that your mission”. Until the maximum possible population of the country are employed in productive occupation it is futile to expect the country to progress and the village population to prosper. Is the maximum possible population of the country engaged in productive occupation or are they even anxious to do so? Pardon me for offending our common national self-love but the answer to this question must be an emphatic “No”. There is far too much laziness, far too much dependence on a hankering after unproductive occupations like petty Government service and the Bar. Again think of the number of able bodied people whom the country is supporting who are simply idling away their time in the towns and villages, merely living idly on the labour of others and without engaging in any productive occupation such as agriculture and cottage industries. Perhaps the social system of our country allows this state of laziness to continue. If so, this must be remedied without delay. For you can take it for granted that when large section of any nation lives in idleness or in unproductive occupation that nation is bound to decay. This is not mere irresponsible surmise but is based on observation and actual experience which I am having every day. Only the other day the Chairman of one of the leading Municipalities of the province was entreating me to provide a relative of his who has actually been trained in Government Agricultural Schools with the post of a Demonstrator on Rs. 30 per month only. I pointed out to him that this young man who has the advantage of a special training in agriculture in Government Schools would be most usefully employed in the productive occupation of agriculture and all that he had to do was to provide him with some land with some initial capital for starting the work of farming. He said he would have no difficulty in providing these things, but he regretted that neither the young man nor his parents were ready to accept this suggestion and indeed he did not feel that he would even have the courage to suggest it to them. They were bent upon a Government appointment on Rs. 30. It was in vain that the Director of Agriculture who also happened to



be present during the interview suggested that he could get the young man apprenticed in one of the large farms conducting agriculture on scientific methods so that the young man could learn practical farming and then earn a sure and substantial income from farming. The profession was distasteful to the young man and his parents. This is not the only instance in my experience. Numerous cases of the kind exist in the country. I know cases where even Zamindars are canvassing round to obtain employment on Rs. 50 a month for their educated sons although they have land in the country which is running waste for want of cultivation and although the sons of Zamindars by cultivating their own land can improve the level of agriculture practised in the country, and earn an honourable and ample livelihood. But what our young men want and are eager for is a sure monthly income however small and an avoidance of enterprise for productive occupation. A bird in hand is for them worth fifty in the bush and a prospect of life-long drudgery on a sure income of Rs. 50 to Rs. 100 per month is to them preferable to that of ten or hundredfold that income in which there is an element of uncertainty conditional only on the inclination of the young man for preliminary apprenticeship for a number of years by applying his own brain and hands in producing wealth by utilising the natural resources of the country.

#### PRODUCTION OF WEALTH ALONE CAN BANISH POVERTY— THE DIGNITY OF LABOUR.

If you ask a young man to learn tailoring or shoe-making or carpentry, he flatly refuses to do so simply because he is educated but it is just the educated man who alone can make these industries thrive and compete with their rivals in other countries by employing scientific and up-to-date methods. The result is that when you have to send a pair of shoes for repair you have to send it to a Chinaman's shop as there is no competent Indian to do the work and you all know that when you require a master carpenter on 100 or 200 rupees a month to supervise work of construction of a large house in Calcutta it is only the Chinaman who is competent to do the work and no Bengalee can be found suitable to undertake it. The shame and humiliation of it all! But what is more to



the point here is how many of our countrymen have thought upon this aspect of the unemployment problem, the poverty problem and even the health problem of the country? And yet it is production of wealth alone which can banish poverty and ill-health. I would therefore appeal for united effort in eliminating the lazy section of our countrymen in towns and villages and getting them employed in productive work of various kinds. Productive occupation will alone lead to increase in the wealth of the country and increase of wealth alone will banish poverty as well as disease. Malaria cannot be effectively banished except through agricultural improvement. For experts now agree that it is agricultural deterioration which primarily leads to malaria.

#### THE EXAMPLE OF JAPAN.

I will just give you one instance of how problems of rural organization and prosperity are tackled by such countries as Japan.

The district of Minami-Nakagun used to produce only a certain kind of timber which was in great demand but the people were not satisfied with the main industry alone but paid a great deal of attention to sericulture. Before the 15th year of the Meiji era (1882), there was only one family in the whole district interested in this business, nor was it successful in it. The persevering effort of Genshiche Yuchi the head of the family, has finally been rewarded by obtaining 1.20 koku (one koku—5.13 bushels) of cocoons, from only one sheet of silk-worm eggs. Although this man is now seventy years old, yet he is never tired of making the circuit of the district, in order to instruct the people in this important branch of industry.

When the Russo-Japanese war came to its close, the headman of the village of Inahashi, Aichi, took occasion to tell his people that the village could gain an additional thirty thousand yen, if the whole village would resort to sericulture, and that one hundred million yen would be earned by the nation if all the villages of Japan would follow their example. In this way, the nation could easily redeem the war bonds. By this opportune advice, the whole village was deeply moved, and almost all the villagers are now engaged in silk-worm culture.



### WHY TOWNS-PEOPLE SHOULD TAKE INTEREST IN RURAL RECONSTRUCTION.

Finally I would utter a note of warning to those who live in towns and think that they have no interest in the matter of rural reconstruction or the welfare of the village. The health and prosperity of the towns in every country are built upon and are dependent upon the prosperity of the villages and the products of agriculture and other rural industries. Let therefore every town dweller, be he an industrialist or Zemindar or lawyer or journalist, businessman or student or professor beware! Do not consider yourself safe till the country industries and agriculture principally among them are thoroughly resuscitated and placed on a sound footing, and until production is increased to a measure compatible with the welfare of the nation. Work for resuscitation of the villages and of the village industries, is therefore national work of the highest importance in which every section of the community is vitally interested.

Reconstruction of rural life and rural industries can only be secured by voluntary effort and voluntary organisation in personal life as well as in national and not merely in political matters but in the social and economic field and specially in the sphere of production of wealth. Surely the present generation of this country has a splendid opportunity of social service, an opportunity which is only commensurate with the measure of our social and economic degeneration and the vast amount of organisation and productive work that has to be done. Mere criticism, mere expression of sentiment, mere waiting for outside assistance will not help us. What is required is a careful examination of the problem in its social and economic and sociological bearings. And finally work, work, work, productive work in all fields of economic development till we eliminate idlers from among our midst and bring back prosperity and plenty and health to the entire country side and to the homes of the nation.



# AGRICULTURAL CO-OPERATION IN INDIA \*

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If we are to understand correctly the position of the co-operative movement in India, we must attempt to arrive at a proper appreciation of the main factors affecting the lives of the people. Of these, undoubtedly, the most important are the prevailing religions. Out of a population exceeding 319 millions, over two-thirds are Hindus, and more than one-fifth Mohammedans; to the European, the followers of both of these great religions appear to under-estimate the capacity of human energy, intelligence, and enterprise to mould the conditions of life. The Hindu philosophy tends to belittle the importance of material wealth; it seems to attach no worth to material progress and rather inculcates an attitude of passivity to the vicissitudes of nature. In addition to this, the caste system, which many educated Hindus now regard as an unnecessary adjunct, has divided mankind into unchangeable strata, so that not only is a man's position fixed by his birth, but to a large extent his occupation is also predestined for him. Thus Hinduism and the caste system combine to produce a quiescent attitude towards problems of material improvement; human appetites must be denied rather than served by the expenditure of intelligent effort, and human desires must be suppressed rather than pandered to by an elaboration of the standard of living.

Although Mohammedan ideas differ widely from those entertained by Hindus, their effect on economic progress is much the same; the fatalistic attitude towards the world prevents Mohammedans from exalting human achievement, and encourages a passive, resigned state of thought. The prohibition of interest serves to deter them from engaging in banking, and many forms

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of trade in which interest plays a prominent part, as well as from most forms of capitalistic enterprise. The extreme form of the religious ban on interest discourages all thrift and saving, and nearly all expenditure on productive objects except the land.

This outlook on life, prevalent amongst the followers of both the great religions, appears to receive strength from the extreme dependence of the country upon the monsoon. Over sixty per cent. of the people are engaged in agriculture, and agriculture in India is, for the most part, an effort to utilize the rain that falls between June and October. The monsoon divides the year into two seasons yielding respectively a summer and a winter crop, and both harvests may be ruined by a failure of the rains. Thus while the Hindu philosophy and the caste system serve to dissuade men from that restless search after material wealth which is supposed to be characteristic of the West, and while the fatalism of the Mohammedan tends to make him belittle the importance of human effort in the scheme of life, the beliefs of both apparently receive continuous corroboration from the vagaries of the monsoon, for the outturn of a crop varies less with the skill of the cultivator and the scientific knowledge he brings to his task than it does with the amount and seasonal distribution of the monsoon rainfall.

These broad features account in considerable measure for the fact that while India is naturally one of the potentially richest countries of the world, a large proportion of its inhabitants are desperately poor. It is open to question whether poverty in India with its joint family system, is ever so acute as in industrial centres in Europe during periods of depression; certainly the existence of a million people in receipt of State relief, which post-war conditions have produced in Europe, would be regarded here as evidence of almost unprecedented famine; in agricultural countries acute unemployment for long periods is rare, the industry is less liable to violent fluctuations than many of those to be found concentrated in factories and the natural fertility of the soil and the possibility of a harvest every six months limit the period of inactivity. Still the average earnings of the people are low; generations in the past have left no legacy of economic achievement or of material advancement for the benefit of the present. The sinking of vast sums of capital in large public works was almost unknown, so



that the face of the land, until the arrival of the British, was very much what nature had made it, altered but little by the creative energy of man. Where famines are regarded as a scourge from above, it were sacrilege to take measures, preventive or protective, to thwart the Divine Will, so that the history of India is punctuated with periods of starvation and distress, continuing, in spite of the efforts of the British administration, almost up to the end of the last century. In such a large country, it was, indeed, seldom that a harvest failed throughout the length and breadth of the land; the successive famines were mostly local failures of the food supply which were accentuated by the imperfect facilities of communication and transport. Alike for the prevention and the relief of these accidents, the country has had to await the introduction and expansion of railways; and these same railways have rendered it possible to encourage the production of food grains in excess of local needs by means of large irrigation works. For many decades the British administrators have steadily applied themselves to the prevention of famines, and most of the bigger productive works have been undertaken with this object. The measures have achieved marked success, so that a famine due to actual scarcity of food is almost beyond the realms of probability: but there may still be severe distress, not from scarcity of food but from inability to purchase it. The cultivator of India tills but a few acres; the habit of thrift is nearly non-existent and the lack of a proper sense of responsibility for his economic future leaves him always unprepared to meet the strain that follows a failure of the monsoon.

It was as a measure of famine prevention that the Government of India undertook to introduce co-operative credit amongst the agriculturists and persons of limited means, with the hope that by the encouragement of the spirit of thrift and self-help, the economic position of the masses would be so strengthened that they would be able to resist the periodic catastrophes which, in less happy days, led inevitably to famine, starvation and death. To this genesis of the movement is to be ascribed, also, the element of officialism, which is apt to be misunderstood; the Government could not afford to wait for private agencies to arise and organize the people on co-operative lines; periods of scarcity and distress



recurred too frequently to permit of time being so lost. The result is that the co-operative movement in India is largely the product of official stimulus and official energy; if to many this official element appears too prominent, the remedy is in their own hands, for in all provinces there are vast fields for the display of unofficial service and public spirit, but the majority of actual co-operators have learned to regard the Government servant as their friend and helper, while, on their part, the officials would deny any tendency to discourage the introduction of private helpers in so large a field.

Repeated Commissions of Inquiry have laid stress on the extent to which the ordinary cultivators are in debt, and this indebtedness has led to a long series of legislative efforts to remove the various causes which drive them to borrow. In order to meet the borrowers' needs, Acts to facilitate loans for ordinary agricultural purposes and longer term loans for land improvements have been passed and amended; the former rigidity of the land revenue payment system has been made elastic; implements, cattle, seed, etc., have been exempted from attachment by Civil Courts for debt; special legislation such as the Encumbered Estates Act, the Deccan Agriculturists Relief Act, the Punjab Alienation of Land Act, etc., has been undertaken; in short every effort has been made to remove the *necessity* of borrowing from the cultivating class. But still debt has risen, and it is only in recent times that the authorities have appreciated the fact that the real cause of debt, here as elsewhere, is the existence of a number of money-lenders anxious to find some outlet for their capital. In India, the habit of investment in joint stock enterprise does not exist; of the moderate number of companies run by Indians outside the chief cities the majority fail to inspire confidence; there is little competition for the idle capital that exists; there is almost no trust in the public company and there are few of what in Europe would be called gilt-edged securities. The rate of interest paid on Government stock is not sufficiently attractive to a people who even in Vedic times were known as inveterate gamblers; while the lack of business experience amongst the great majority leads to unrealizable expectations of profit from the simplest forms of enterprise. The result has



been that away from the great cities, the natural use for spare capital has been regarded as money-lending and money-lending is one of the most profitable industries in the country. No efforts, then, to reduce indebtedness could be successful until the money-lender could be replaced by some alternative system of credit and the one that found favour was that associated with the name of Raiffeisen. If indebtedness was to be driven from the land, the need for resorting to the money-lender must be removed by the substitution of a better agency for financing agriculture. The Indian money-lender seems to have existed from time immemorial: along with trade, tillage and harvesting, it was one of the four honest callings, although it was forbidden to Brahmins. There were various old laws controlling the rate of interest which varied according to the caste of the borrower; the high castes paid little, but those lower down could be charged sixty per cent., and could be made to pay off their debt by labour; the ancient writings mention the sale of wife or children to repay debt. These facts are worth remembering because one of the difficulties in the way of promoting thrift is the attitude towards debt adopted by many of the people. Debt appears to them as customary; a man is born in debt, he dies in debt, and his son takes over the burden along with the ancestral property. A scheme designed to alter this and to banish debt and replace it by savings runs contrary to the accepted order of things which has prevailed since time began. It not infrequently happens that a patient explanation of the advantages of co-operative credit as a means of getting rid of debt and of substituting thrift is countered with the remark that as the father inherited debt, why should not his son?

The first Act legalizing co-operative credit societies was passed in 1904; it applied only to credit; in each of the major provinces there was appointed a special official (generally drawn from the Indian Civil Service) known as the Registrar, whose duty it was to organize societies, select and teach instructors, supervise the working of the infant institutions, and have them audited; they were given full powers to inspect and control, which they were expected to use with the sole aim of assisting the societies to learn to dispense with this form of help. In the early years, progress naturally was slow; not only were the Registrars themselves un-



trained, but the amount of literature in English on co-operative credit was at that time very limited. Fortunately, however, the officials selected were fully imbued with a sense of the fine opportunity afforded to them to labour in the cause of the poor cultivators, and conscientiously set themselves to learn and teach. It was, however, unfortunate that none of them had had any practical experience of the actual working of co-operative credit in Europe, and they had no non-European types to study, and no guidance from experts who knew the conditions both in Europe and India. In spite of this, very substantial success was achieved which reflects the highest credit on the officers responsible; but by 1913 it was considered desirable to review the situation and a special Committee was appointed to tour India and examine the progress made and to study the methods adopted in the various provinces. This Committee published a valuable report, known as the Maclagan Report from the name of the President, Sir Edward Maclagan, now Governor of the Punjab. In this valuable work, there was embodied a series of recommendations which have now for the most part been incorporated into the movement, and which have undoubtedly served to place the credit societies in a sound financial position. The original Act of 1904, which had provided only for credit, had already been replaced by another in 1912, which permitted other forms of co-operation than credit and made provision for secondary societies. In its general outline the law follows closely the English Friendly Societies Act; it embodies certain essential conditions of the Raiffeisen society, which are compulsory for rural banks, but it leaves to Local Governments the framing of subsidiary regulations by giving them a rule-making power upon many of the matters which find place in Acts of other countries, such as Germany. Speaking broadly, all Registrars have studied closely the various European systems and have, in particular, derived great benefit from Cahill's Report on Co-operation in Germany, and have followed German example in the drafting of these rules as well as in the by-laws. State aid is less prominent than in most European countries as the example of English Consumers' Co-operation is adhered to; the concessions are the usual exemptions from Income Tax, Registration Fees, and Stamp Duty. In two important particulars, the Indian Act



differs from those of nearly all countries; one is that the Registrar has power to refuse registration of a society until he is satisfied that it has a fair chance of becoming successful; and the second that he can cancel the registration and so force a society into liquidation. Both these powers are designed and are used to ensure a high quality of work within the society, and to build up public confidence in co-operative credit.

Under this Act, there are at present about 47,300 primary credit societies registered; of these, the vast majority (45,000) are rural banks with unlimited liability on the Raiffeisen model; these differ but slightly in the different provinces, and may be roughly classed into those with and those without shares. The share type originated in the Punjab at the suggestion of the people themselves: the members subscribe a small sum, not less than one rupee a year, and generally two rupees or more, for ten years in order that their owned capital may be the greater and that they may enjoy the sooner the advantages of independence of outside borrowing. At the end of ten years, this share money may be disposed of in any one of several ways as may be determined at a general meeting; it may be returned to members, or it may be converted into even permanent shares of, say, ten rupees each, the sum in excess of this being returned; or it may be made into non-returnable shares without being evened off. Where it is returned to members, these in some cases begin afresh to subscribe for another ten years. The accumulated profits are dealt with in a similar variety of ways. They may be converted into non-returnable shares, in place of or in addition to the other shares, or they may be kept indivisible for ever; at least one-fourth must be kept as indivisible reserve. Thus after ten years, many share societies become pure Raiffeisen; others distribute profits up to a maximum of 9 or 10 per cent. in the twelfth and succeeding years; others retain shares with indivisible profits. Generally speaking, Mohammedan societies prefer indivisible profits, while Hindu and Sikh societies incline to dividends in the twelfth year. It is unfortunate that the term "shares" has been used in connection with these small sums. They are in no sense a measure of a member's stake in the society; they do not affect his unlimited liability; they are not shares in the joint-stock sense. On the other hand, they differ from compulsory



deposits in that, on liquidation, they rank after deposits, so that a deposit would be repaid, if need arose, from shares before any call would be made on the unlimited liability. They are best regarded as a small paid-up portion of the unlimited liability. The great advantage of these small shares is that the owned capital is rapidly built up; the share-money as well as the accumulated profits is used in the business of the society, and earns interest; the result is that in most societies, independence of all outside financing agency is attained in fifteen years, and in many cases in ten years. It is objected that this independence has its drawbacks in as much as it leaves the society too free from control from the superior secondary institution; while another objection is that where the owned capital is large, the members are apt to borrow in excess of their real needs. In many parts of the country, the share system is unpopular and so has not been introduced. Where the share system does not exist, societies follow the Raiffeisen model, with unlimited liability and indivisible profits; in some places, an attempt is made to introduce a system of compulsory deposits in order to encourage thrift and set funds free for further expansion.

With the exception of Bombay Presidency, the rural credit society is a small unit with from 20 to 30 members, and with a working capital of about Rs. 2,600, or roughly Rs. 90 per member; in Bombay, the membership is about 74. Of the working capital, usually very little is contributed by members; outside Bombay and the Punjab, members' deposits amount to very little. Under the Act, all profits of societies with unlimited liability are indivisible unless the Local Government otherwise directs; most Governments have kept profits indivisible for ten years, so that there is a steady piling up of a very valuable reserve which now amounts to nearly 150 lakhs of rupees. This reserve is largest where the share system has been longest in force, as all profits resulting from using the share money in the business of the society are added to reserve; thus this fund amounts to 57 lakhs of rupees in the Punjab, where nearly half the sum on loan to members is covered by their savings in the form of shares, profits or deposits. It is this financial strength following on the adoption of the share system, which is inducing other provinces to popularize the same measure.



The actual working of the societies throughout India is very much the same. A committee of management is elected by the members and is responsible for the ordinary business ; it is guided and bound by a careful scheme of by-laws drawn up by the Registrar ; these by-laws are based upon the Raiffeisen model, with modifications to suit local conditions ; they cannot be altered without the Registrar's consent, as every amendment has to be registered and he has power to refuse registration to objectionable changes. According to the recommendations of the MacLagan Report, every society is supposed to agree in general meeting upon the sum which it can borrow from outsiders during the year ; that is to say, the society places a limit to the liability it is prepared to incur. This is known as the normal maximum credit ; in some provinces, Assistant Registrars check this and inform the financing agency, as well as the society, of the sum they consider reasonable in view of the requirements of the members. Within the society every member is usually given a fixed maximum credit which the committee cannot exceed without the sanction of the general meeting. Within these limits, the committee accords sanction to loans to members ; these loans, in the peculiar circumstances of India, cannot be confined to productive purposes, but the essential of "necessity" is usually insisted upon, that is to say, a member is allowed to borrow for expenditure which the committee regards as necessary in view of the ceremonies the member has to perform. A persistent attempt is being made with promising results to impose a limit to expenditure on marriages, funerals and other objects which religion or custom demand ; but when it is remembered that extravagance upon marriages is regarded by many observers as the most important cause of debt, the difficulty of controlling this item will be appreciated. The great difficulty facing all attempts to diminish expenditure on these ceremonies is the existence of the money-lender always ready and anxious to lend what the society refuses to advance. The problem is too intricate to yield to summary treatment, but steady persistent teaching, carried on with unending patience by the staff of the Registrar, is beginning to yield benefits in some parts. The chief objects for which loans are advanced are repayment of old debts (everywhere a large item), marriages, seed,



fodder and cattle and the payment of land revenue. This last item represents chiefly the assistance afforded to the cultivators to hold up their produce for better prices while still enabling them to meet the government demand. Less important objects numerically are land redemption, land improvement, sinking of wells, rent, land purchase, and purchase of agricultural implements. In every province, the need for the repayment of old debts is a serious problem which cannot be neglected. These old debts usually carry a high rate of interest; experience has shown that to lend sufficient to enable the member to pay them off at once does not always lead to good results, as the member, relieved of the crushing burden of interest, seems to lose the incentive to repay the society. On the other hand, to refuse help in repayment is still more unsatisfactory; the usual course adopted is the middle one of offering to lend a portion when the member is prepared to make a real effort to pay up the balance. It is the existence of these old loans which hampers progress and prevents concentration upon direct economic advancement; unfortunately, there is nothing to prevent a weak member from returning to the money-lender if the society, for good reason, refuses to provide money for extravagance. Similarly, it is felt that too great strictness in enforcing repayment of a society's loan would drive members back to the money-lender. The latter is always ready to oblige, trusting to the Indian idea in regard to ancestral debt; his rates of interest are so high that he can afford to risk loss of principle, while the prosperity developed by British rule has placed in his hands a large sum for which he can with difficulty find investment. On the whole, the movement is making steady progress; the number of agricultural credit societies has increased in the last five years for which figures are available from 23,000 to 45,000; membership has similarly increased from 851,000 to 1,516,000, and working capital from 689 lakhs to 1,332 lakhs of rupees. That there are grave defects, no one realizes better than the Registrars and their staffs, and no one works harder to eliminate these defects. Their task is made harder by the peculiar conditions prevalent. Illiteracy is the rule; where in Europe, the squire, the doctor and the priest will be found helpful and sympathetic, in India all will be illiterate and generally reactionary. The extreme dependence



of agriculture upon the monsoon and its vagaries prevents regular repayment; religious feelings are responsible for the absence of animal husbandry, and of many of the subsidiary occupations which add to the family income in Europe; caste feeling prevents the keeping of poultry except by those of low caste, and sericulture is similarly regarded askance by the petty owners as something only fit for those beneath them; generally there is no alternative industry to which the people resort when not occupied on the land; rural industries are for the most part the work of menial castes; in many parts of the country, the women are not allowed to work in the fields, and nowhere do the women contribute to the household income to the extent common in Europe; past conditions of insecurity and religious beliefs have combined to stifle the idea of self-help and to limit provision for the future; the standard of living is low and easily satisfied, an addition to the income is usually offset by a reduction of work; at the same time, there are certain customs and ceremonies which involve expenditure out of all proportion to the means of the cultivators and which are readily catered for by the ubiquitous money-lender. In extensive tracts, the land is in the hands of large owners, who are apathetic to the interests of the tenants and sometimes even antipathetic to any measure that promises to raise them from their economic serfdom. Finally, there is a remarkable lack of economic organization into which the co-operative movement can fit. The most striking element in the economic life of India is waste. But when an attempt is made to remedy this by co-operative organization, it is found that a single society or even a small group can do little; not until the whole machinery of rural activity is properly organized on co-operative lines will there be scope for many forms common in Europe. This is particularly noticeable when an attempt is made to organize societies for purposes other than credit; everything has to be organized from the very bottom. It may be objected that the very necessity for numerous societies required to meet the poverty of the people serves to hinder a healthy growth; there is an insistent demand from the people themselves; there is a body of conscientious officials only too anxious to do whatever may be possible to provide relief from the intolerable burden of debt; between the



two there arises a tendency to start societies without sufficient preparation, and it is here that the power of the Registrars to refuse registration becomes valuable. In order to build up for the co-operative idea a sound reputation amongst the public, it is essential that no depositor should lose his money, and in consequence financial soundness is insisted on. It is usual for societies to be classified as "good," "fair," "average" and "bad" upon the basis of the annual audit, and it is the Registrars' custom to insist upon regular inspection of all societies classed as bad and to direct compulsory liquidation where the members show no inclination to remove the defects brought to light. This power to bring about liquidation extends to all societies whether organized by the official staff or by non-officials; the work of liquidation is extremely troublesome, and in consequence Registrars freely exercise their power to refuse registration to societies until they are satisfied that the applicants have been properly instructed in co-operative principles and in the business of credit, that sufficient and efficient supervision will be available, that honest office-bearers have been elected, and that the members are not merely willing to borrow from the financing agency but are prepared to put forth the moral effort required to raise them from the serfdom of debt. This official supervision and control is frequently misunderstood, but the fact that all Registrars constantly find societies securing registration which were quite unfit for it shows that it is not excessive. In a similar way, too, the need for rapid progress militates against the full development of the right spirit. To finance the new societies, funds are constantly needed; if the members were left to their own resources, to raise funds from amongst themselves and their neighbours, too much time would be lost. The result is that central banks are encouraged to come to the help of new societies, and this undoubtedly serves to remove from the members the necessity of securing local confidence in order to secure local deposits, and also of striving to develop thrift amongst themselves. The distant central banks cannot exercise that close supervision over the societies which neighbours with money in deposit can; and the members lose that moral training involved in building up confidence by slow and painful stages.



It is to fill up this gap that in some provinces what are called guaranteeing unions have been organized: Their chief functions are to relieve the central banks of the detailed work of inspection and supervision, to pool their securities and redistribute their total credit amongst their constituent societies, and, in order to protect these from loss due to the misconduct of any one, to ensure thorough training and instruction in duties and responsibilities. Each union is composed of a small number of primary credit societies, and its managing committee is elected from the members of these societies; this committee assesses the credit of the constituent societies and informs the central bank of its decision and undertakes a certain amount of responsibility for securing repayment of any loan from a central bank to a society advanced in accordance with its recommendation. Thus each society accepts a certain amount of responsibility for the repayment of loans to other societies in the union, and so has a motive for insisting upon sound working. In actual practice this responsibility appears never to have been enforced, so that it is difficult to say how far the system would stand a strain; but these unions have aroused much enthusiasm amongst their supporters in Burma and some provinces of India, and have also incurred severe criticism from the veteran Mr. Wolff. In some cases, the Registrar admits that they are purely nominal, that the committees do not appear to realize their responsibilities and that the principle underlying them is not understood. Their greatest success has been achieved in Burma, where the idea originated, but they have been pronounced successful in several provinces of India as well. There appears to be no doubt that if the committee can be induced to perform their responsible duties, these unions can be of great benefit to the movement. In some provinces, they are replaced by banking unions of which some account will be given in another article.

Before leaving this side of the movement, it may be remarked that hitherto, large though the numbers are, the credit societies have only touched the fringe of the great problem of rural indebtedness. They have afforded ground for hope that a way of escape has been discovered, that the Indian cultivator can get out of debt whenever he is prepared to make a real effort at self-help and



thrift, and that borrowing from the money-lender is not the necessity which some Indian writers prefer to believe. At the same time, it must be admitted that co-operative credit is not likely to rid the country of the great burden of useless debt which encumbers agriculture; there are many devoid of the desire to put forth any effort at self-improvement; many lack the character which is essential to success; many lack the strength of will; many are too selfish, and having got rid of their own debts with the aid of a society resign and leave their neighbours to their fate; others are too weak to resist the wiles of the ever-present money-lender, and sink back into his toils as soon as the society attempts to recover loans from them. The movement is achieving great success, but it is too young yet to replace age-old customs; a new generation must spring up unaccustomed to money-lenders and accustomed to regard their society as the financing agency before it will be time to pronounce a verdict upon the co-operative credit movement in India. The magic works in congenial soil here as elsewhere; but there are many who do not desire economic uplift, who are content with the ample leisure which the satisfaction of their simple wants leaves them, and who will not throw off the easy habit of reliance upon nature when nature is bountiful and on the money-lender when she is not.

Considering the small number of years during which systematic effort has been made to inculcate the co-operative idea into the minds of the cultivating classes, the success achieved has been remarkable, and although it is undesirable to put forward extravagant claims, there is good ground for believing that a continuation of these efforts on the same lines would bring vast benefit to the country; whether the changed political conditions will permit of this is a question outside the scope of this article.

In India, as elsewhere, the credit society has been found a valuable starting point for further experiments in co-operative enterprise. The ideas of self-help and mutual help are easily taught in credit work and, once well imbibed, can be directed into other channels. In the last five years the variety of experiment has been remarkable; the number of agricultural societies for objects other than credit has increased from 272 to 1,165, but as most of these have been organized in order to test the prospects of



success, the variety is more important than the number. One of the earliest experiments was in cattle insurance in Burma; it attained a certain amount of success owing to an element of compulsion, but it is doubtful how far the type will last now that this element has been withdrawn; the only other province in which this experiment has been tried on any scale is the Punjab, and there the efforts of the staff to popularize the measure have only met with a moderate response. In both provinces, the societies have been confined to a few districts and there has been no demand for extension. Cattle mortality of a preventable nature is very high in India and Burma; religious feelings prevent systematic elimination of the less fit, so that there is apt to be a surplus of weak animals, which succumb to disease and serve to spread contagion around. Preventable mortality is one of the most frequent causes of borrowing, and cattle disease and fodder famines are probably among the chief factors in rural debt, so that a popular system of insurance would be a great boon; but the idea of providing for future contingencies, in a country where the money-lender is so ready to offer assistance, is poorly developed and it is doubtful whether any insurance would survive the withdrawal of official help and stimulus.

All over India, the necessity of extending co-operative activities to objects other than credit is fully appreciated by the Registrars and their staffs, and sustained efforts are being made to develop these societies. Those which at first appeared to promise most success were for purchase and sale; societies for providing manure, agricultural implements, seed, and simple household needs, such as cloth, have been organized in almost every province; in some cases there are separate primary village societies for these purposes; in others, the primary credit society is the actual distributing agent, while their supplies are obtained through supply unions constituted from societies. Opinions differ as to the advisability of multiplying primary societies in Indian villages where the number of men qualified for the committee is so small; in Bombay, complete separation of finance from supply is advocated; in the Punjab, it is held to be useless to register two societies in the same village which are the same in everything except the books and the object. Throughout



India, there is a distinct tendency for supply societies to decline. For this two causes are assigned; an Indian Registrar of Bengal voices a general opinion when he remarks that "there is, perhaps, in the Indian Mufassal (rural-areas) a greater difficulty in finding a capable management for such societies than in Western countries": while another reason is that the difference between the nominal wholesale and retail prices is smaller than in Europe. The Indian retailer depends for his profits less upon difference in price between his purchases and his sales than upon adulteration, short weights, and similar devices. Further, the Indian shop-keeper is frequently also the money-lender, and manages to keep his clients loyal to his shop by involving them in the toils of usury. The idea that he makes large profits from retailing petty household necessities is probably incorrect; he earns something by usury, something by making his clients sell their produce to him at rates fixed by himself, and something by cheating in weighments, etc. Where a society has made a good beginning with the co-operative sale of cloth, etc., it has happened that a selfish member, having learnt how to follow suit, has started a shop of his own. One important obstacle to success, undoubtedly, is the habit of giving credit and so of expecting it. A private shop-keeper prefers to sell on credit as he keeps the accounts himself and adds his own interest, and the co-operators are not yet sufficiently educated to understand that the co-operative ideal of sales for cash is really of great benefit to them. It would appear that the idea of joint purchase is still too new for a custom-ridden people; while there is also some truth in the opinion that the Indian people have not yet felt that cruel grinding poverty which drove the working classes of Europe to organize stores on the Rochdale plan and which still prevents many of them from joining stores that insist on cash payment.

Societies for co-operative sale have met with somewhat better success, but failures and set-backs are recorded from most provinces. The sale of the higher grades of cotton has been pushed at the instance of the Agricultural Departments which discovered that it was useless to induce the cultivators to sow better seed, or better varieties, if they could not get a higher price for the better lint. Cotton auctions were organized with some success



but from north to south came the tale of rings of middlemen combining to refuse to bid ; the big buyers refused to attend, the commission agents attended but preserved strict silence. It was in consequence of such experience that in the Punjab there was started a new type of co-operative sale society ; as the buyers would not come to the auctions, it was decided to invade the enemy's camp and establish co-operative commission shops in the chief markets. The scheme took shape in the prosperous Chenab Colony at Lyallpur ; a shop was rented in the market and a society containing both individuals and societies as members was organized. The society members might be sale societies, but are mostly for ordinary credit, so that the members of the village bank secure the advantage of membership in the commission shop without joining as individuals. Members take their wheat and other produce to their commission shop where they learn what the current market price is ; if there is a demand for immediate sale, the produce is sold on a commission basis ; if demand is slack, the produce can be stored and the cultivator is allowed up to eighty per cent. of the estimated value on the security of the stock, the balance being paid when the produce is sold. Here again, the obstacles were of an unexpected nature ; the agents and merchants, including the representatives of the big European exporting houses, boycotted the shop ; that was expected and surmounted ; but it was found that the profits of the other agents in the market were not derived so much from commission sale as from a large money-lending business carried on with their clients under the guise of forward sales. The various commission agents advance large amounts to the cultivators on the promise that future years' produce shall be sold through them ; this is attractive to the easy-going cultivators who seem unable to calculate the total loss suffered by them through the various charges for interest, weighing, commission, and a whole series of miscellaneous items. The agents, for instance, charge for unloading and loading from carts, but they pay regular labourers for this and pocket the profits. Then a fruitful source of gain is short weighing ; although both co-operative commission shop and the market agents may offer the same price by weight, the former pays a considerably larger sum as it pays on fair weights. There appears



to be hope of success for these shops, which are spreading and becoming more popular.

Conditions vary so greatly throughout India and Burma that it is only to be expected that types of agricultural society should vary too. In one province, Bihar and Orissa, what are termed grain *golas* have achieved a considerable measure of success. Each member has to contribute a fixed quantity of rice per acre held for five years; the idea is to store grain to fight famine and scarcity, and promote the habit of thrift. The grain stored may be lent out, in which case repayment is made in kind; it may be lent for seed or for household consumption. What is not immediately required is stored in mud houses with fire-proof roofs; portion of the material is provided by Government while the members undertake to give free labour. The idea appeals to simple people when the proposal to save money would fall upon deaf ears.

In Madras, some success has been achieved in the co-operative industrial sphere, by the establishment of co-operative societies for rice-hulling, groundnut decorticating, etc., but members still appear to lack confidence in joint sale. In Bengal, this lack of confidence has unfortunately found support in the dishonesty of the management of one or two sale societies, but a number of associations for the sale of members' milk have attained satisfactory results and give ground for the hope that the milk supply of the large city of Calcutta can be organized on a co-operative basis by tapping sources of supply outside the city. Already the societies provide a pure supply while securing for the producer a better price; what this means will only be realized when it is understood that practically all milk sold in India is adulterated, and that municipal regulations designed to prevent this have completely failed. Bengal possesses one of the most remarkable instances of success in co-operative sale in a society of *ganja* cultivators; the cultivation of this plant for production of the hemp drug is under the close control of the Excise Department; the society is composed of the actual growers, and so has a monopoly of trading; the Excise Department fixes the sale price. The chief effect of the organization of the society has been to get rid of the middleman who used to treat the cultivators as he

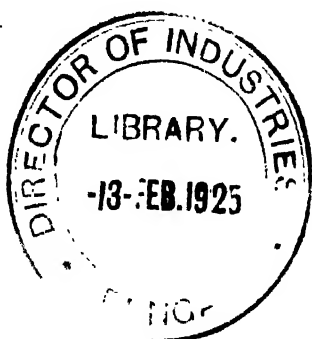


pleased, and to save for the members all the profits on the sale of the drug. These profits have proved to be very great and they are being devoted to the moral and economic uplift of the cultivators; sanitation, medical aid, education, veterinary aid for cattle, improvement of roads, etc., are all being paid for out of the surplus saved by co-operation, and the Registrar is able to record a marked development in the sense of self-help and self-respect. Bengal, again, is experimenting with some interesting types of societies for providing irrigation facilities. The members show no reluctance to subscribe share capital for the construction of small irrigation works, which are proving valuable investments in districts with precarious rainfall. In the Central Provinces the most successful effort, outside credit, has been the seed unions whose main object is the supply of good pure seed to members; these unions also sell agricultural implements.

The Punjab has, perhaps, the greatest variety amongst societies for the improvement of economic position of agriculturists. In that province a systematic survey has been made of the factors retarding prosperity, and societies have been designed to eliminate these. In addition to many societies of types already mentioned, the province had a number organized with the object of diminishing the volume of litigation which is such a curse to the peasantry; these arbitration societies were making satisfactory progress when they were all summarily closed down under orders of the Minister for Agriculture. Societies have been formed to own and work seed and demonstration farms, to improve cattle-breeding, to reclaim waste lands, to clear silt from the inundation canals, to improve sheep-breeding, and to provide night schools where the illiterate peasants can acquire the elements of education which they neglected to obtain in their youth; there is also a small land mortgage bank, but, perhaps the most interesting experiment is the formation of societies for the consolidation of scattered holdings. Fragmentation of the small holdings is a serious evil in the Punjab as elsewhere, and these societies are being formed amongst the owners in a village to encourage readjustment so that each owner may have his land in one or two compact blocks instead of in thirty or forty scattered throughout the village area.



From the above it will be seen that India is reproducing types that have proved useful in other countries as well as starting types of an original kind. The Registrars and their staffs are constant students of the movement in other countries and endeavour to the limit of their ability to introduce whatever seems likely to yield good results. The improvement of agriculture by the supply of better seeds, of better implements, by organizing special agricultural associations for discussion of new methods, etc., is accepted as the duty of the departments. Under the peculiar circumstances of India, it is inevitable that so much should be in official hands. Rural leadership, where it exists, is of a modest and rather primitive type, but the co-operative movement is undoubtedly developing this into a powerful factor in the economic uplift of the masses of the people. Already, results of note have been achieved; men possessed of public spirit have been encouraged to come forward and work for their fellows; others with leadership dormant within them have been given the opportunity to disclose their latent capacities; in a movement so young it is unnecessary to make claims at this stage, but there are signs that the poor cultivators in more than one province are beginning to realize that through Co-operation there may be attained emancipation from debt and poverty, freedom from the crushing burden of an army of greedy usurers, liberty of choice in production and sale, a fair field, and a fair opportunity for the manhood that is in them.





## OPENING CEREMONY OF THE DADPUR DOWKI CO-OPERATIVE IRRIGATION SOCIETY LTD.

*[The following Address was presented to Christopher Addams Williams, Esq., C.I.E., Chief Engineer & Secretary to the Government Irrigation Department, Bengal, on the occasion mentioned above by the Members of the Society. The reply of the Chief Engineer is also published—Editor.]*

SIR,

We, the members of the Dadpur Dowki Jalsarbaraha Samabay Samity Limited, beg to offer you on this occasion of your first visit to this District and for the matter of that to this village of ours, our sincere and heartfelt welcome.

During the last few years, the district has experienced repeated and serious droughts and failure of crops has almost become chronic. The question, how to avoid or to mitigate this failure, has been engaging the anxious attention of the authorities and of all the well-wishers of the district. And though the problem still requires solution, as a result of mature consideration and experience it has been found that the remedy lies in improving the capacity of the district in storing up the water it gets during the Monsoons or in other words in improving the facilities of its irrigation.

The Co-operative Department of the Government, have been sparing no pains and have been doing splendid work in this direction by organising irrigation societies all over the district on co-operative basis, and in this effort they have been receiving valued expert assistance from your Department.

The establishment of a net work of well organised irrigation societies will mean the solution of the vexed problem of uncertain crops and will free the agricultural population of the district from the vagaries of meteorological conditions.

The scheme which you have been pleased to come to open to-day is the first of its kind that has been gradually springing into existence through the exertion of the co-operative department in this district, and represents



the type of institutions which will mainly contribute towards maintaining a uniform productivity of the district. The details of its workings and organisation will be disclosed in the Secretary's report.

But we may mention here that by the erection of the dam across the Dowki 2500 bighas of agricultural land have been rendered immune from the dangers of insufficient rainfall. But our institution is full of greater potentialities. For not only will these 2500 bighas of land be unaffected by any deficiency in the actual rainfall but given a sufficient supply of water in the Dowki, about 7000 bighas more can be irrigated and their productivity maintained in the years of deficient Monsoons.

The usual discharge in the Dowki during the rains does not permit us to extend the benefits of our institutions to a larger area. But if this water could be supplemented by that from the Mayurakshi by means of a small canal the potentialities of the establishment would be more fully utilised. And it is for this reason, that we approach you with a prayer that you may give this matter your earliest possible attention and sanction the construction of a suitable waterway connecting the Dowki with the Mayurakshi.

We have stated our conditions and have submitted our present needs. We know the interest you take and have untiringly exhibited in this matter ; and the agricultural population of West Bengal are grateful to you for the promulgation of the new famous schemes of Damodar Reservoir and Damodar Canals.

Mindful as we are of your genial sympathy and your invaluable experience and knowledge which you have always brought to bear upon the problem of agriculture and irrigation in this province, we feel encouraged to hope for a bright future.

Poverty in India unlike other countries in the Western world is a question of production. And we fervently hope that the impetus we receive to-day from your visit will not be lost upon us but will constitute the beginning of a movement for the steady amelioration of our toiling masses.

We thank you for consecrating the consummation of our efforts by condescending to come in our midst in this insignificant village of ours and we once more accord to you our warm and sincere welcome.



*(Chief Engineer's Reply.)*

GENTLEMEN,

In the first place let me thank you for having given me this opportunity of visiting this portion of the District and for the welcome you have extended to me. It is a matter of great regret that the Chairman of the District Board has been prevented from joining us to-day by ill health. The Rai Bahadur is a man who is taking a very keen interest in irrigation in this District and I am sure you all join me in wishing him an early recovery. You have mentioned that the work you have been so good as to ask me to open to-day is the first of its kind which has sprung into existence in this District through the exertions of the Co-operative Department. I wish to congratulate you on the completion of a work which will bring prosperity to your homes and which I sincerely trust will be the means of banishing scarcity from your doors. You draw attention to a possible extension of this irrigation project by the excavation of a canal from the Mar river to supplement the supply in the Dowki: this is not a project which has been brought to my notice before, but I will cause an enquiry to be made to see whether the proposals are feasible. I have had the opportunity of visiting the Bankura District recently and have been much struck with the possibilities of a large extension of irrigation by means of comparatively small works and from what I have seen of the Birbhum District there is not the least doubt that the possibilities are equally favourable here also. A considerable volume of water is running past your doors to waste which can be profitably used at the most critical time provided suitable works are built to raise it on to the land: the designing of these works is a matter which requires special technical knowledge and careful study: not only is it necessary to measure accurately the available October supplies but also to ascertain the volume of the highest possible floods to prevent the works being over-topped and damaged; the alignment of irrigation channels is also a matter which requires close attention because a badly aligned channel may be a source of considerable disappointment to those who expect to derive benefit therefrom. Such channels must be aligned to irrigate the maximum area possible with the supply at hand, and the selection of a site for a weir is a matter which calls for very careful study of the data: if a weir is located too far down a river less area can be commanded, and if placed too high up, the works will cost more than is necessary. The duties of an Engineer are twofold: not only must he



see that the works he designs will perform the task allotted to them but also that they are designed economically. The principles by which he is guided are exactly the same in the case of a small work as in that of a large one, and it is in connection with these matters that I have an announcement to make: as you are aware an Irrigation Officer was appointed some time ago to help you in these matters and he was posted to the headquarters of the Bankura District but his duties extend to this district also. The rapid increase in the number of Co-operative Societies in both districts coupled with other enquiries which have been made show emphatically that it is not possible for one officer to cope with the whole of the work in the two districts: it has therefore been decided to post a second officer to Birbhum with the necessary staff and I hope he will join shortly.

Now I have two points which I should like to impress on you: in regard to the critical period for the rice crop it will be as well not to depend too much on the October supplies in the streams because there are years in which the supply is too small for your needs: if therefore the surplus of the earlier months of the monsoon can be stored by filling tanks I would strongly recommend you to do so, holding it in reserve to supplement the river water at a time when irrigation is an absolute necessity. If also the fields are irrigated from the river in September, the supply necessary to maintain the levels in October will be much less than if the fields are allowed to dry.

The other point is this—it is most important that provision should be made for the future upkeep of these works: this question is one which has not been given sufficient attention: it takes several years for a river to accommodate itself to the new conditions set up by the construction of a weir across its bed and it is necessary that there should be a fund from which repairs can be met so that any displacement of stone or any other development can be repaired without any delay. During the flood season it is also important that one or more responsible *khalasis* should be in attendance who should be supplied with a house close to the weir.

In conclusion, I wish to say that the development of irrigation in Western Bengal is a matter which will receive my full support and I shall endeavour to accelerate the completion of new works as much as possible.



# THE GHOLA ANTI-MALARIAL CO-OPERATIVE SOCIETY, LTD.

*Established 1920.*

*Registered June, 1921.*

## (THE THIRD ANNUAL REPORT).

Another year has passed away since the last report was presented to the public of the operations of the Gholā Anti-Malarial Society. That year closed on 30th June 1923, and the present report therefore embodies results of working from 1st July, 1923, to 30th June, 1924.

The year opened with thirty-three members on the roll and closed with thirty-five, showing an increase of two in number. The normal activity was maintained except during a part of the year when the principles underlying the work—Unity and Co-operation—were at a discount owing to differences of opinion in the matter of choice of candidates for election to the Bengal Legislative Council, but things have since come round to normal. During the election struggle, be it noted, Society in the whole area from Chitpore-Cossipore to Bhatpara-Naihati was divided into two hostile camps, and the members of the Anti-Malarial Society could not escape the contagion.

The special feature of the year's work was extension of propaganda work undertaken by this Society, with a certain degree of earnestness not yet attempted by any other in Bengal. The members of the Gholā Society gave, by invitation, performance of its play *Banglar Satru* (Enemy of Bengal)—Malaria—in the Eden Garden on the occasion of the Baby-week on 31st January, 1924 and 1st February, 1924, and the play was much appreciated by the public. The object of the play is to vividly present the results of Co-operation in fighting Malaria. The Society also held a performance of its play in the Sub-Divisional Court compound at Baraset on the 9th February, 1924, where there was a large assembly of men of the cultivating class.



The members of the Society, in its propaganda work, sang Anti-Malaria songs, visiting the following localities during the year, as shown below :—

*Dist. 24 Parganas.*

Chandanpukur, Suili, Narainpore, Sason, Barrackpore (Evening Club), Barrackpore (Anandapuri), Panihara, Nawabgange, Amdanga, Gobardanga, Nimta, Patna, Ichapore, Ariadaha, Napara, Bistoopore, Basirhat, Kholapota, Fottulapur and Finga.

*Dist. Hughly and Howrah.*

Kantalgoria, Belur, Naikuli, Brahmanpara and Illahipur.

In this connection the Society cannot avoid the temptation to quote below the following remarks recorded in the Bengal Administration report for 1922-23 under General Summary page lvi under the heading, Public Health about the activities of the Ghola Volunteers in the propaganda work :—

“The members of these Societies are also undertaking propaganda work of a most useful character. The methods adopted for propaganda are interesting. The Ghola Society, for example, have produced a play entitled “Malaria—the Enemy of Bengal”. With this and with a small concert party they have made frequent tours to neighbouring and even distant villages and have succeeded in inducing a number of communities to follow their example and establish mutual aid societies for the prevention of Malaria.”

Among its other activities the Society helped to found a new Society at Teghoria, a place near by and also one at Nawapara in the Barasat Sub-Division.

“Prevention is better than cure,” and following this maxim the Society takes pride to record the excellent work done by the volunteers of Ghola in eradicating Malaria—the tide of destruction has been turned so far as this village is concerned, and it will be so in other places as well, if people will work whole-heartedly on the above principle. All youngmen should be inspired with a resolution to eradicate Malaria at all cost, and the success is assured. At Ghola there are a few who are always alert, and they will never allow the village to go backward. They keep up the



spirit to conquer, and have been successful to a very appreciable extent.

The Society records its sense of gratefulness to Sir Hariram Goenka, Kt. for awarding a gold medal to one of the workers of Ghola at the last Annual Meeting of the Central Anti-Malarial Co-operative Society, Ltd., presided over by Dr. Rabindra Nath Tagore, for the best general work done in comparison with other workers of rural societies.

The Society also places on record the unstinted praise accorded to it by the Sub-Divisional Officer—Baraset—T. C. Roy, Esqr., M.A., who is always eager to do a good turn to the Society.

The Malaria prevention work—treatment of Dobas and cesspools with Kerosine Oil and cutting and clearing of jungles—were carried on by the volunteers as during the year previous. The activity and assiduity in this respect were such that even during the rains the village presented a clean aspect.

The school attendance as compared with the preceding years is as follows :—

1920-21	...	...	...	55%
1921-22	...	...	...	70%
1922-23	...	...	...	73%
1923-24	...	...	...	75%

The above will go to show how under the Anti-Malaria operations the health of the village is steadily improving.

It will be observed from the Society's audited accounts, that the debt incurred by the Society in re-excavating Khorua tank, *viz.*, Rs. 630/- was reduced by Rs. 430/- during the year leaving a balance of Rs. 200/- only still to be repaid, and the Society congratulates itself on this happy result. The tank presents a beautiful sight in the centre of the village. The proprietors of the tank made a free gift of the old bed and land appertaining to it, and the Society was thus allowed to have a constructive work at its credit, which goes to meet a real want of the people.

The Society has been ventilating for some time for the widening of the Sonai so as to provide an effective drainage for Ghola and other outlying villages served by it. This will not be



a productive work, and as such it can only be undertaken by Government in the interest of public health. This is a crying necessity for the well-being of this and other neighbouring places.

Finally, the Society cannot close this report without acknowledging the sympathetic treatment always accorded by the Secretary—Central Anti-Malarial Co-operative Society, Ltd., Rai G. C. Chatterjee Bahadur to this Institution which is in a way his own creation.

Since the above report was completed L. W. H. D. Best, Esq., I.C.S., Sub-Divisional Officer, Barrackpore, District 24 Parganas accompanied by Mr. A. R. Mahl of Messrs. Cox & King's Shipping Agency, Ltd., paid a visit to Ghola and was pleased to record the following after his inspection of the village and the Society has much pleasure to give publicity to the same :—

"I paid my first visit to Ghola to-day to see the work carried on by the Anti-Malarial Society. Having heard before of the work, I came to learn, I have been taught a truly splendid lesson. The panegyrics bestowed by Ministers, Commissioner downwards on their various visits have been genuinely earned. It is amazing to see how much has been accomplished. But to my mind it is the spirit pervading the Society which appeals most. I have never before met such a determination to conquer the disadvantages of natural surroundings and climate by one's own endeavours instead of abandoning oneself to fate. Better still, I have seen that this spirit is no mere flicker of flame to flare up for an afternoon, or a week, or a month. It has been burning steadily for a number of years and has its reward in a village which is free from Malaria and a model to the country side. The members, appealing by songs and entertaining plays, are trying to inculcate the spirit in wider areas outside their own village, and as long as I remain here I will aid them to the best of my ability in this. I wish the society every prosperity, and I will not delay long before making another visit to gain further acquaintance with its numerous activities."

HARIPRASAD CHATTERJEE,  
*Honorary Secretary.*



# EXTRACTS AND SELECTIONS.

## CO-OPERATIVE CREDIT IN BIHAR.

### QUESTION OF FUTURE CONTROL.

The Bihar Government's resolution on the report on the working of the Co-operative Societies in Bihar and Orissa for the seven months ending the 31st December, 1923, states:—

The number of societies of all kinds increased from 4,962 to 5,420, and the aggregate working capital from a little over one crore to Rs. 1,38,00,000. Government is glad to observe that the number of guarantee unions increased from 119 to 142, while there are now 1,143 societies affiliated to them.

The most important event of the year was the appointment of a committee to consider what arrangements should be made for the future control of the movement in Bihar and Orissa, the adequacy of the audit system and the financial assistance required from Government. The report of this committee is now under consideration. Government have accepted the main recommendation that the number of circles should be increased as the movement expands.

### ENCOURAGEMENT OF THRIFT.

The Registrar remarks that thrift is inculcated in two ways by encouraging deposits and by enforcing the payment of *kists*. This somewhat understates the influence of co-operative societies in this direction. One of the first ways in which they prevent extravagance is by curbing unnecessary expenditure on marriages and other social ceremonies. In this way they lay the foundation of thrift and make saving possible. Another method is the introduction of share capital into village societies. The gradual payment of share calls is a form of compulsory deposit, which has many advantages. Government again call attention to the necessity for insisting on the introduction of shares into all village societies, as well as of encouraging voluntary deposits in every way.

Government are glad to learn that the Agriculture Department continues to maintain close touch with the co-operative organisation, but much



greater use should be made of it. One of the chief difficulties is the paucity of trained staff, and steps have been taken, and are being taken, to see that such staff is trained as quickly as possible.

#### POSITION OF CO-OPERATIVE STORES.

The Registrar reports that he has instituted a special inquiry into the position of certain co-operative stores. Stores are broadly of two types, one for the sale of seeds, manures, etc., to cultivators and for the purchase of their produce, or for similar transactions for village artisans, and the other for the sale of the necessities of life in urban areas. The former in this country do not, or should not, indulge to any extent in credit business, while their operations are easy to supervise and are carried out with expert help from the Departments of Agriculture and Industries. Their transactions are therefore subject to little risk, and they can work with a relatively small share capital. Urban stores are in quite a different position. Their business is very similar to that of a private firm of joint stock company engaged in trade, and they ought to operate mainly on their own capital. Although they may legitimately receive loans and deposits from their own members, it is undesirable that they should attempt to work with a small paid up capital and relatively large loans or credits from co-operative central banks. Owing to the limited liability of the members and their amateur management, they afford little security for advances and in the event of misfortune or mismanagement, there would be small prospect of the recovery of the money borrowed. Already more than one failure has occurred, and Government consider it necessary to lay down safe lines on which this, one of the most beneficial forms of co-operative enterprise, can develop. They, therefore, await the results of the Registrar's inquiries, which should be submitted for orders as soon as possible.—*Pioneer*.

#### CO-OPERATIVE SOCIETIES.

#### HOW THEY CAN RESUSCITATE CHARKA SPINNING IN INDIA.

(By SATIS CHANDRA DUTTA.)

Your recent article on "Co-operation in Ireland" published in the "Patrika" in two of its successive issues on the 22nd and 23rd October last, deserves a careful consideration by the public. It is a highly sugges-



tive article and the suggestions made in it should appeal direct to the workers in the field of Indian Co-operation. Our Indian Co-operators have so far busied themselves with the formation of credit societies only. And it was very rightly pointed out by you that instead of devoting their attention almost entirely to this one aspect of Co-operation, they can spare a little of it and direct the same to the organisation of agricultural syndicates of the nature of producers' and consumers' societies, they can do a lot of good to the poor agriculturists of India. They can then save them from the tyranny of the middleman. The middleman is the worst enemy of the agriculturists as much in India as anywhere else. If the agriculturists are to thrive, the middleman must go.

Co-operation can help the people of India in another way. And what we venture to suggest in this article is that the methods adopted by Sir Horace Plunkett and his co-workers for reviving the butter-making industry of Ireland may very well be adopted here in India for resuscitating the spinning industry of the country. Prior to 1880, Irish butter had a favourable market in England but it was gradually ousted from there by the superior produce of the Danish farmer. Sir Horace Plunkett saw the reason for this superiority. The Irish farmer produced his butter by the old anti-diluvian methods while his Danish rival used the most up to date scientific appliances in the production of the commodity. And the Danish farmer was enabled to do that because he combined with his fellows for this purpose. Plunkett therefore devoted his enormous powers of organisation to the establishment of dairy societies, known as creameries, among the Irish farmers. These societies work on the Co-operative basis and the intending member has to subscribe one share of the value of £1 for each cow whose milk is to be supplied to the creamery. Each member has to bring his own milk to the creamery whose area of operations extend to five or six miles from the centre. A record is made there of the weight of the milk of each member and a sample of it is tested for the amount of butter-fat contained in it. The milk is then passed through the Separator and butter made according to the latest scientific methods. These creameries also undertake to put the butter in the market. Members are paid at the end of the month for the amount of butter-fat contained in their milk and the price is fixed by the managing committee of the creamery. It was in this way that Plunkett breathed a new life into the dying butter-industry of Ireland and enabled the Irish farmers to recapture the market for themselves.



## INDIA'S ECONOMIC SALVATION.

Spinning is an ancient industry with the people of India. At one time it was practised in almost every household in India. At present also there exists very little doubt in the minds of the people as regards the utility of charka-spinning. Mahatma Gandhi, who is to-day regarded all over the world as the spinner of India's destiny has cried himself hoarse over the necessity of Charka-Spinning. People, too, out of immense regard for what their great leader says took to spinning as a secondary occupation and in cases as the only occupation. But their enthusiasm has gradually slackened and Charka, though not wholly discredited as an weapon for bringing about India's economic salvation is being rapidly relegated into the lumber-room. Now what might be the reason for this? It is because people do not know what to do with the yarn they spin. It is not a marketable commodity. Neither is every spinner a weaver, nor is it reasonable to expect him to be so. How can a spinner then dispose of the yarn turned out by his Charka? He knows not what to do and there is no one to show him the way. Speaking therefore from a business point of view, Charka is doomed to failure, unless an arrangement can be made for utilising the yarn produced by it with a reasonable margin of profit to the spinner.

## SOLUTION OF PRACTICAL DIFFICULTIES.

The only practical solution of this difficulty seems to be formation of a net work of Co-operative Weaving Societies, all over the country, working on the lines of Irish Creameries with a small membership subscription. There is to be one such society with its area of operations extending to a radius of five or six miles from the centre and it must be fitted with a sufficient number of looms to take all the yarn spun by the members. The yarn shall be woven there into Khaddar and the woven goods placed in the market by the society. The control of the Society shall be in the hands of a Managing Committee elected annually by the members. Now that Mahatma Gandhi has consented to give a long rope to the Congress Workers, they can have these Societies registered under the Government Act. These Societies will then have a status of their own with all the privileges given to them under the Act. They may also be federated into a composite union with powers of supervision vested in its controlling authority. It is in this way that a new impetus can be given to Charka spinning which is now in a move or less moribund condition in



the country. But this will require the whole-hearted devotion of a man with an amount of organising power and driving force. We have in Bengal only one such man who can make the scheme a reality and he is no other than Sir P. C. Roy. We therefore appeal to him to consider the feasibility or otherwise of the scheme. Agricultural Ireland found her saviour in Sir Horace Plunkett and will it be too much to expect that India will find her Plunkett in Sir P. C. Roy?

—*Amrita Bazar Patrika.*

## CO-OPERATIVE BANKING IN DHARWAR.

### GOVERNOR'S ENCOURAGEMENT.

His Excellency the Governor in opening the Co-operative Bank at Dharwar said :—

Mr. Chairman and Directors of the Karnatak Central Co-operative Bank. I thank you for the very cordial welcome you have given to Lady Wilson and myself, and I am glad that my visit to Dharwar should have coincided with the completion of your buildings, and that thus I have this opportunity of meeting those who are engaged in promoting what I consider to be one of the most important movements in this Presidency.

The figures which you have quoted in your address are evidence of the remarkable success of the movement in this Division, and great credit is due to you all, as well as to the officers of the Department, for the results you have already achieved. Your policy of consolidation and expansion will I trust meet with the same success as your preliminary work has done.

### CONFIDENCE.

The foundation of all banking and credit system is confidence, and it appears to me that you have already secured in a large measure, the confidence of those classes which the movement is primarily intended to benefit. To continue to deserve that confidence will I am sure be your aim in the future as it has been in the past.

I agree with what you have said regarding the moral value of your movement. At no time in the history of India was co-operation in all forms of activity more vital than it is now, and your work provides a daily object lesson to all classes of the value of that principle, and of the very



tangible results to which its adoption leads. You will find in the preamble of the Government of India Act of 1919 this remarkable passage—

“the action of Parliament in such matters must be guided by the co-operation received from those on whom new opportunities of service will be conferred,”

and I regard the movement in which you are engaged as a most important training ground for that larger co-operation which Parliament has recognised to be essential for the advancement of India.

#### REMITTING MONEY.

I am glad to inform you that there is no question at present of withdrawing the concession of remitting money free by Remittance Transfer Receipts, but it has been necessary to consider whether the total amount to be remitted should not be limited to Rs. 10,000 in any one day, as it was found that the concession was being abused. The final settlement of this question awaits, however, the decision of the Government of India.

With regard to the question of interest on loans my Government has decided to reduce the rate of interest on loans to the provincial Co-operative Bank for the purpose of Rule 5 of the Co-operative Societies Land Improvement Loans Rules, from 7 to  $6\frac{1}{2}$  per cent., which will commit that the present procedure by which these loans reach the cultivator is somewhat cumbrous, but I am glad to say that Mr. Madan hopes to come to some satisfactory arrangement with the Provincial Bank by which the money will reach the borrower as quickly and as cheaply as possible.

#### THE CO-OPERATIVE BILL.

With regard to the Co-operative Societies Bill, which is now before the Select Committee of the Legislative Council, I can only say that if you have any amendments to it to propose they should be sent to the Registrar who will place them before the Committee for consideration. The policy of my Government has been from the first to leave the movement as free from official trammels as possible, and I do not think you will find that the Bill is inconsistent with that policy.

I congratulate you again, gentlemen, on the well deserved success you have already achieved, and I hope that the new stage of development on which you now enter will be as successful as the one you have just completed.—*The Times of India, Bombay.*



## CO-OPERATIVE MOVEMENT AND EDUCATION.

A scheme of spreading elementary education through the instrumentality of Co-operative Banks is in progress in the province of Bihar and Orissa. The District Boards in conjunction with some of the Central Banks have taken over the management and control of a number of elementary schools. Towards expenses and maintenance in running the schools the former have made a block grant as their contribution, whilst the latter have offered further financial assistance. The latest report of the Provincial Co-operative Department indicates that for the present there are more than 150 schools managed by these Banks and 26 new ones have been started by them. The present experiment will no doubt benefit the Co-operative Movement along with the cause of education.

—*Pioneer*.

*Proceedings of a meeting on Co-operative Housing held on  
Monday the 8th December, 1924 at 4-30 p.m. in the  
B. C. O. S. room.*

The meeting which was presided over by Mr. J. M. Mitra, Registrar, Co-operative Societies, Bengal, began at 4-30 p.m. and lasted for over two hours. Among those present were—

1. Mr. Lalit Bose.
2. „ Hemendra Nath Chatterjee.
3. „ Jogesh Chandra Mukherji.
4. „ Upendra Nath Sen Gupta.
5. „ Pasupati Dutt.
6. „ Shikhi Bhusan Sircar.
7. Rai Sahib Beni Madhab Roy.
8. Mr. Kamal-uddin Ahmed Shams-ul-ulma, I.E.S.
9. „ F. Pal, *Engineer*.
10. „ J. C. Bose.
11. „ P. L. Dutt.
12. „ J. B. Choreton, *Secy., Survery of India Co-operative Society*.
13. „ H. W. B. Moreno, M.L.C.
14. „ N. R. Sarkar, M.L.C.
15. „ A. K. Deb.
16. „ A. N. Palit.



## EXTRACTS AND SELECTIONS

17. Sj. Kumar Krishna Dutt.
18. Rai Sahib N. C. Bose.
19. Mr. S. K. Ganguli.
20. Rai G. C. Chatterjee Bahadur.
21. Babu Suresh Chandra Roy and others.

A few ladies were also present.

The President said that in view of the interest shown in many quarters in the matter of co-operative housing as a result of a note recently published in the "Statesman" the meeting had been arranged for discussing in an informal and business-like way the subject of co-operative housing. They were all agreed that the housing problem was one of the most pressing problems of the day and he hoped that discussion in that meeting would result in some practical steps being taken towards organization of co-operative housing societies. They need not be told that co-operative housing was a good thing because that was admitted. What he wanted was practical suggestions. The President then briefly dealt with different kinds of co-operative housing societies. In Bombay several societies had been formed on co-partnership tenancy system by members belonging to one community. These tenements were available at a fairly small rent varying from Rs. 25 to Rs. 32 and this was the type of the society which deserved the greatest encouragement. In Calcutta there was also great scope for starting societies of the type of Mutual Benefit Societies formed by persons with the object of building houses to be owned individually.

The President recognized that in any scheme for co-operative housing it was of very great importance to secure land at a cheap price and also to secure loan at a low rate of interest and on easy terms. But before he could make any move in these directions he wanted to be sure of a definite demand. People anxious to form housing societies must undertake to find associates who are prepared to join them for the purpose of forming such societies and to work out the cost in detail of the schemes they propose to adopt and when they have done this they should approach the Department for facilities for loan and acquisition of land. He said that the main reason why the Department had been unable to take any definite action in the matter was that the Department had not been approached with a definite scheme. For instance, although Mr. Moreno had been speaking for the last two years of co-operative housing societies for persons of moderate means belonging to his community no one had come forward



with associates with a definite scheme. He therefore sympathised with Mr. Moreno's disappointment and disgust that nothing had been done and he expressed a hope that Mr. Moreno would now be able to induce members of his community to place a definite scheme before the Department.

Continuing the President said that though as a co-operator he was reluctant to ask for out-side help in connection with co-operative undertakings, he realized that financial assistance as well as help in the acquisition of land would be necessary in the case of co-operative housing societies in the pioneer stage. He said that the duty of the State in both these directions had now been recognized in all civilized countries and he had every reason to think—though he was not in a position to speak authoritatively—that Government would consider favourably applications for financial assistance in respect of well-considered housing schemes.

Mr. H. W. B. Moreno then addressed the meeting. He said that they had been talking about co-operative housing since the last two years but without any practical result. He said that recent statistics showed that the proportion of unemployment in Anglo-Indian community was one in every three. Mr. Moreno then dwelt briefly on the hardship and difficulty through which members of his community were now passing and urged that Government should be approached for providing tenement blocks for them to be let out at a small rent. He said that something was required to be done immediately to relieve the distress and hoped that the meeting would result in action. He thought that co-partnership tenancy societies would suit members of his community best.

Mr. Kamal-uddin Ahmad then spoke briefly and said that if people could put in from Rs. 5,000 to Rs. 10,000 each in a housing society the necessity for Government loan would not arise. They might raise the balance by loans from private financiers. To this some of the gentlemen present remarked that it would not be possible for persons of small means to find out Rs. 5,000 or more in a lump.

The President remarked that the idea put forward by Mr. Kamal-uddin would suit very well those who were comparatively well off and he was prepared to help Mr. Kamal-uddin in trying to arrange for loans from sources other than Government.

Mr. N. R. Sarkar, M.L.C., of the Hindusthan Co-operative Insurance Society said that his Company had taken up a few schemes on Garden



City lines and he promised to furnish the President with details of his scheme.

Sj. Kumar Krishna Dutt then spoke. He said that he was inclined to agree with the President that State-help or out-side help could be avoided as far as possible. He thought that any such scheme should be based on self-help and instead of entrusting the work to engineers and contractors the members should themselves supervise the work and carry out the scheme as economically as possible. This, he believed, would greatly bring down the cost of the scheme.

Mr. A. N. Palit of the Calcutta Soap Works informed the meeting that he was engaged in working out a co-operative housing scheme near Ballygunj within the jurisdiction of the Tallygunj Municipality. He said that the cost of land would come to about Rs. 300 per cottah. He promised to send up his scheme as soon as possible. Mr. Palit said that he would also arrange to supply building materials for co-operative housing societies at cheap rates and on easy terms if a guarantee was given from responsible quarters that the bills would be duly paid.

The Secretary, Bengal Youngmen's Zamindari Society, informed the President that he could undertake to organize a co-operative housing society and could even induce his own society to set apart a sum of Rs. 50,000 for the purpose. He wanted to know, however, if the balance of the cost of his scheme, supposing that the same came to one lakh, could be expected as loan from Government. The President said that at that stage all that he could say was that there was every reason to think that Government would consider their application favourably.

One of the gentlemen present wanted to know if the department would consider a scheme in which members agreed to build on small plots of  $1\frac{1}{2}$  or 2 cottahs of land. The President remarked that such schemes would be most welcome as coming from those who were not well off and who were anxious to improve their condition by co-operation.

Mr. S. K. Ganguly, Assistant Registrar, who had returned from Bombay only that day after visiting some of the co-operative societies in that Province then spoke briefly giving an idea about the working of some of the co-operative societies there, particularly that of the Saraswat Co-operative Housing Society.

Mr. Moreno, Mr. Das, Mr. N. Palit promised to find out associates with a view to form co-operative housing societies and to communicate with the Registrar.



At the suggestion of Mr. Palit, a small committee was formed consisting of the following gentlemen with power to add to their number to deal with enquiries regarding co-operative housing and to help in the organization of societies.

1. Mr. J. M. Mitra, *President*.
2. „ H. W. B. Moreno, M.L.C.
3. „ N. R. Sarkar, M.L.C.
4. „ F. Pal.
5. „ A. K. Bose, *Secretary*.
6. „ A. N. Palit.                     "
7. Rai Gopal Chandra 'Chattarji' Bahadur.
8. Mr. S. K. Ganguly.
9. „ Kamal-uddin Ahmad, Shams-ul-Ulama.
10. „ P. K. Das.



To

THE EDITOR

**THE BENGAL CO-OPERATIVE JOURNAL.**

(The editors associate themselves with this appeal and hope that a generous response will come from the public)

SIR,

May I through the medium of your esteemed Journal take the liberty to appeal to all Co-operators in the Province for help to a family left in indigent circumstances through the sad death of a poor Co-op. Officer who was its sole bread earner.

Heramba Das Mahapatra an auditor of the Dept, recently died in the prime of his life whilst in service. He has left behind a young wife two children and two minor brothers and also a debt of about Rs. 700/-.

Any amount however small will be gratefully accepted by the Manager, Bengal Provincial Co-operative Bank, 6, Dacers Lane, Calcutta, who has kindly consented to act as Treasurer.

Yours truly,

MANMATHA NATH BOSE,

*Secretary,*

*Central Bank, Midnapore.*

MIDNAPORE. }

5-8-24. }



# List of Contributors to the Heramba Dass Fund.

(1st List.)

				Rs.	A.	P.
1.	Rai Sahib T. N. Maitra	...	...	4	0	0
2.	Babu Charupada Roy	...	...	2	0	0
3.	Mr. C. G. B. Stevens, I.C.S.	...	...	25	0	0
4.	Secy., Barisal C. B.	...	...	20	0	0
5.	Babu Jnanendra Narayan Choudhury	...	...	2	0	0
6.	„ Jadabendra Narayan Das Mahapatra	...	...	5	0	0
7.	Mr. A. G. Chatterjee	...	...	10	0	0
8.	Secy., Goalundo C.B.	...	...	5	0	0
9.	Khan Bahadur Atoar Rahaman	...	...	3	0	0
10.	Secretary, Lalbag C. B.	...	...	2	0	0
11.	„ B. N. Ry. Employees' C. S.	...	...	5	0	0
12.	Mlvi. Taifuddin Ahmed	...	...	2	0	0
13.	Babu Provash Ch. Pathak	...	...	1	0	0
14.	„ Kali Kumar Banarjee	...	...	2	0	0
15.	„ Sudhansu B. Mazumder	...	...	2	0	0
16.	Dy. Chairman, Naogan G. C. S.	...	...	10	0	0
17.	Mr. A. L. Sen	...	...	1	0	0
18.	Secretary, Gaibandha C. B.	...	...	5	0	0
19.	Mr. S. K. Bose	...	...	1	0	0
20.	Babu J. N. Bhaduri	...	...	2	0	0
21.	Rai Bahadur Bhudhar Das	...	...	20	0	0
22.	Mlv. A. K. M. R. Haq	...	...	4	0	0
23.	R. C. S. Office staff	...	...	7	0	0
24.	Mlvi. A. Jabbar	...	...	5	0	0
25.	Babu Kali Rhusan Mukherjee	...	...	5	0	0
26.	Secretary, Shahazadpur C. B.	...	...	5	0	0
27.	„ Kajlagarh C. S.	...	...	2	0	0
28.	„ Nadia Central Bank	...	...	10	0	0
29.	Mlvi. Shamsul Allan, Auditor C. S.	...	...	2	0	0
30.	Babu Debendra Nath Nandi	...	...	2	0	0
31.	„ Hari Ch. Chakraborty	...	...	2	0	0
32.	M. Kabiruddin Ahmed, Aditor C. S.	...	...	1	0	0
33.	Secretary, Malda U. B.	...	...	5	0	0
34.	Amount Collected by Mr. J. Das Gupta	...	...	6	0	0

C. O. 185 0 0



						Rs.	A.	P.
	B. F.	...	...	...	...	185	0	0
35.	Amount Collected by, Babu Srimanta Das Gupta Circle							
	Inspector, C. S. Comilla	...	...	...	...	14	12	0
36.	Secretary, Chandpur C. B.	...	...	...	...	25	0	0
37.	Promoda Ranjan Sen Gupta	...	...	...	...	3	0	0
38.	Secretary, Jongipur C. B.	...	...	...	...	15	0	0
39.	„ Narail C. B.	...	...	...	...	1	8	0
40.	„ Santipur C. B.	...	...	...	...	10	0	0
41.	„ Urusi J. B.	...	...	...	...	2	0	0
42.	„ Jamalpur C. B.	...	...	...	...	10	0	0
43.	Balurghat C. B.	...	...	...	...	5	0	0
44.	Mr. G. Hyder, Inspector C. S.	...	...	...	...	1	0	0
45.	N. I. Dutt Gupta, Auditor C. S.	...	...	...	...	1	0	0
46.	Korakdi U. B.	...	...	...	...	5	0	0
47.	Maghbaria Gangadhar C. S.	...	...	...	...	5	0	0
48.	Jessore C. B.	...	...	...	...	5	0	0
49.	S. C. Sen (Dacca)	...	...	...	...	3	0	0
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52.	By a friend	...	...	...	...	1	0	0
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55.	Auditor C. S. Ghatal	...	...	...	...	2	0	0
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58.	Collected by Midnapur C. B. (2nd instalment)	...	...	...	...	51	0	0
59.	Syed Majibuddin Choudhury, Auditor C. S.	...	...	...	...	1	0	0
60.	Collected by Babu Priya Nath Kundu, Auditor C. S.	...	...	...	...	4	0	0
61.	Tamluk C. B.	...	...	...	...	25	0	0
62.	Khulna C. B.	...	...	...	...	10	0	0
63.	Mlvi. Nabiruddin Ahmed, Auditor, C. S.	...	...	...	...	1	0	0
64.	Malda C. B.	...	...	...	...	5	0	0
TOTAL						450	4	0

TULSIDAS DE,

Manager,

Bengal Provincial Co-operative

Bank Ltd.

Calcutta, 22-10-24.



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# The **B**ENGAL, BIHAR AND ORISSA **CO-OPERATIVE** = JOURNAL =

Vol. X

APRIL, 1925

No. 4

## NOTES AND NEWS

The Report on the working of the Co-operative Societies Act in Burma is, as usual, an interesting document and it is the more to be welcomed as it appears so promptly after the close of the year of which it forms the annals. Turning our eye first to the conditions affecting the Primary Agricultural Credit Societies we have to note a general slackening of the annual percentage of increase. This slackening has been the general feature of the past decade but it is more noticeable in the year under consideration since the percentage of increase in this class of society was only 1.7 per cent. while the percentage of increase of the members was only .15. Several societies went into voluntary liquidation, "because they failed to receive bank loans, which they imagined were the beginning and end of co-operative credit." As the Registrar has emphasised, the remedy for the arrested progress consists in the extension and improvement of the services offered to members by societies. A noticeably weak point is in the low proportion of deposits of members; such deposits are on an average Rs. 6 per member and formed in 1923-24 only a fraction over 1 per cent. of the working capital of the societies. The only consolation is that four years ago



the percentage was only .6 per cent. Another matter of anxiety is that in those parts of Upper Burma, where Co-operation is of longest growth, the percentage of repayments to outstanding loans is very low—in some districts as low as 7 or 8 per cent. Nor is this low average of repayments accompanied by the usual result of contraction of credit. Indeed the average loan is rising and as the Registrar remarks, there are places in which members have in five years doubled the indebtedness to their societies. In order to increase the proportion of owned resources the conversion of societies of the Raiffeisen type with small shares with no dividend into those of the Luzzatti type is proposed. The new shares are of Rs. 100 payable in annual instalments of Rs. 10 withdrawable every ten years and with payment of dividends after first ten years of working. Such a share system has had excellent results in many parts of India and might also prove beneficial in Burma.

As regards Central Banks, six new such institutions were registered during the year. Of these four are small township banks which form a new departure of policy in Burma. It is believed that such smaller banks, with limited local areas to serve, might be more successful in attracting deposits than a Central Bank for a whole district could be. A similar bank started the year before has already made a good start as a savings institution. The Registrar points to the example of other provinces in which Central Banks have thriven owing to their having to cater for smaller areas than a whole district. Thus it is noted that while Burma has only 20 such banks, Bengal has 89, while the Punjab has 110 Central Banks. Another very sound suggestion for strengthening the finances of Central Banks is the plan under which the Imperial Bank has agreed, upon certain conditions, to grant credit to the Provincial Bank on the security of special "crop loan pro-notes"—such credits to be used as a means of assisting Central Banks and societies to tide over seasonal difficulties and to provide funds for special emergency purposes. The advances are to be granted solely for business connected with the planting, growth



and harvesting of crops and will be termenable at a fixed date after harvest. This is a new experiment of which the results will be watched carefully by Indian co-operators.

The recent experience of Production Societies, too, though regrettable in itself is worth noting. An unfortunate tendency developed by which some such societies rushed into the construction of rice mills and cotton ginning factories without adequate technical skill or sufficient capital. The members too did not give these concerns the loyal support which they should have. The experience of these mills and factories teaches the lesson of pioneer societies giving careful consideration to the financial position and to arrangements for capable management. In any case the Report shows how Burma has been keeping up her reputation for new experiments in the co-operative field.

More equable and steady has been the development in a province which is nearer to us—Assam. The last quinquennium has witnessed a steady development during which the number of societies has more than doubled, while the number of members and the amount of working capital has more than doubled. The number of new loans issued to members has risen during the past year from 6 to  $7\frac{1}{2}$  lakhs. There is however a dark lining to this silver cloud in the shape of the comparative failure of the consumers' societies. As the Registrar observes, the failure is due in most cases to larger credit sales which locked up a good deal of money with the inevitable result of loss. He adds that a stores society can prosper only when cash transactions increase and money is not locked up in credit sales. Still Assam is no weaker in this respect than most other provinces of India. All over the country the tale of consumers' societies is the same and we are—though not down-hearted—still looking for more light.



It is not possible to attempt even a quarterly review of Co-operation in India without noticing the activity of the



Co-operative stalwarts of the Bombay Presidency. At their last Co-operative Conference it was resolved to make earnest efforts to organise consumers' societies in that Presidency on sound lines. It was further resolved that for that purpose the Government should appoint a Deputy Registrar and that all charges incidental to the work should be borne in the first instance by the Government. The Co-operative Institute is to carry on an intensive educative propaganda on the subject and special honorary organizers are to be appointed in selected areas for the same work. Evidently Bombay means to solve the problem of distributive co-operation by a great effort and thus to add to its co-operative laurels. We in Bengal should not fail to engage in a friendly and spirited rivalry with the Western Presidency. Another resolution at the Bombay Conference expressed the view that the time had now arrived to start life assurance work on a co-operative basis. His Excellency the Governor's address to the conference inculcated the importance of the organisation of supervising unions to inspect and guide societies and check any slackness and deterioration among them. Again as regards *tagari* grants he announced that steps had been taken to make the procedure for granting them less cumbrous and to reduce the rate of interest on them.

A remarkable and new development of Co-operative character is taking place in Belgium which might be truly termed the final synthesis and co-ordination of Productive and Distributive Co-operation. Before the war the Federation of Co-operative Societies succeeded in the task of centralising local consumption and worked out figures which showed the possibility of establishing factories on a large scale which would meet the needs of Co-operative purchasers. This work which was interrupted by the war has been taken up on its termination and within a few years we have seen the rapid growth of Co-operative factories for the manufacture of boots and shoes, hats, margarine, soap, preserver, chocolate, etc. The further necessity was felt of having all Co-operators as customers and the Congresses of Belgian Co-operative Union have worked out a



scheme of national dimensions for founding a great General Co-operative Society. The task of this Society is to take over autonomous co-operative productive societies and those dependent on consumers' societies and to interest itself in existing enterprises of a co-operative character. Moreover, each district of Belgium has expressed its wish to satisfy its own needs, and also, very legitimately, the needs of its co-operators. Instead, therefore, of carrying out co-operative production depending entirely on the Wholesale Societies, as in England, Scotland, Germany, Sweden, and Norway, Co-operative Belgium is entering on a course which takes into consideration the local spirit of her inhabitants; national interest based on regional or local interest.

So far as our country is concerned both consumers' and producers' co-operation are still in their infancy. Nevertheless we must not be discouraged by any temporary set-back. As has been well observed by one of our co-operative leaders, nothing short of the experience of failure will make a success of the store movement in our country and from this point of view results achieved so far are not to be regretted. Great experiments abroad might well inspire us to new efforts and might indicate the lines on which the true co-ordination of co-operative production and distribution can be worked out.

The Government of Madras directs that the Provincial and Central Banks shall, in respect of deposits and loans which they receive from individuals and institutions other than co-operative societies, provide for fluid resource in the proportion indicated below :—Madras Central Bank (Provincial Bank)—(1) Fifty per cent. of fixed deposits falling due in the next thirty days; (2) forty per cent. of current deposits; and (3) twenty-five per cent. of savings deposits. Central Banks—(1) Fifty per cent. of fixed deposits falling due in the next thirty days; (2) fifty per cent. of current deposits; and (3) twenty-five per cent. of savings deposits. The term "fluid resource" referred to above shall denote the cash balance on hand with the bank plus undrawn



cash credit with the Imperial Bank of India plus 80 per cent. of the market value (as quoted in the daily papers) of Government Promissory-notes.

The latest report on the working of Co-operative Societies in Bihar and Orissa reveals progress all round, the outstanding feature being the large increase in deposits, which reached the satisfactory figure of Rs. 1,05,15,142. It is interesting to learn, moreover, that the cause of education is being advanced through the assumption of the management of primary school by Central Banks with the consent and help of the district boards concerned. Whenever a Central Bank feels itself in a position to be able to manage schools in a certain area, it applies to the district board for what is termed a block grant, and on receipt of the grant it takes up the management of the existing schools in that area and contributes additional grants from the funds of the bank. The number of these schools during the period under review amounted to 172, twenty-six new schools having been started under the scheme. The district boards, it appears, sanctioned grants of Rs. 17,247, while the Central Banks contributed Rs. 5,045. This may be a small beginning, but it is capable of considerable development, and the hope is expressed that more rapid progress will be made now that the scheme has proved to be successful.

A great stride in the progress of the co-operative movement was recently taken in the Broach District. At Kareli co-operative cotton sale was tried and a co-operative cotton sale society was registered in 1922. This society does the work of ginning its members' cotton and of selling it to wholesale merchants in Bombay. In order that the difficulties, experienced in getting the society's cotton ginned at capitalistic ginning factories may be removed, a co-operative ginning society was formed and registered as the Kareli Co-operative Ginning Society in 1924.



The first number has just been issued of the "Rajputana Co-operative Journal" which is printed in English and Hindi.



In his introduction the editor points out that in India in no direction is co-operation more full of promise than in the improvement of agriculture. The spread of the co-operative movement in Rajputana States, he says, will be of immense benefit to the people, and it will be the mission of his journal to help to bring about the desired end.

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At the twelfth meeting of the Standing Committee of Co-operators, United Provinces, held at Lucknow, it was decided that the Central Banks in the United Provinces be required to keep minimum liquid cover, according to the following scale :—  
(i) 25 per cent. of the amount held in fixed deposits, repayable within the ensuing six months (less the amount for which written notice of renewal has been received); (ii) 33 per cent. of the amount held in Savings Bank deposits; (iii) 60 per cent. of the amount in current deposits.

The Committee further resolved that the liquid cover should be maintained in the following forms :—(i) Cash in hand in outside banks approved of by the Registrar, a list of such banks being prepared by him and circulated to all Banks; (ii) Government paper; (iii) Post Office Savings Bank deposits; (iv) Other investments of a liquid nature in outside concerns approved by the Registrar [as in (i) above]; (v) Undrawn balances of assured cash credit (a) with the Imperial or any other approved Joint Stock Bank; (b) with the Provincial Bank (when formed) or a Central Bank.

It was also decided that the strength of the auditors' cadre be at once raised by at least 10, so that the statutory provision regarding the annual audit of each society may be duly complied with; also that the cadre of the auditors should not be amalgamated with that of the Junior Assistant Registrars' as proposed by some people; and that in order to minimise the chances of misappropriations and embezzlements, it is necessary to insist on obtaining adequate security from all paid servants of the Banks who handle money and to get the members of their staff declared as public servants.

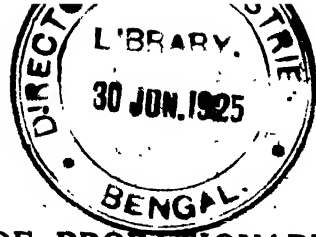
The Committee approved the idea of the formation of a Provincial Bank and accepted with thanks the offer of Khan



Bahadur Sheikh Makbul Hosain, C.I.E., to supply the Committee with a detailed scheme of its constitution and working.

Under "Co-operative Credit", the Government of Bengal have provided in the current year's budget the first instalment of expenditure on a scheme for entertaining additional staff for Co-operative Irrigation Works in the Burdwan Division. The total expenditure is estimated at Rs. 1,14,000. The question of irrigation is of vital importance to agriculture in the high lands and comparatively dry tracts of Western Bengal. In a country where agriculture is dependent on a rainfall not well distributed throughout the cultivating season, the importance of irrigation is obvious. Thanks to the spirit of self-help and co-operation of the people and the wise guidance of their leaders, a remedy for this evil has been found in the re-excavation of irrigation tanks and the construction of irrigation works through co-operative credit societies. Gratifying progress has already been made in the districts of Bankura and Birbhum in the formation of co-operative irrigation societies and their example has been followed in the neighbouring districts of Hooghly, Burdwan and Midnapore. On the 31st January last there were no less than 180 such societies in existence in the Western Bengal districts. Approximately 52,000 bighas of land will be irrigated by these societies.





## NOTE ON THE TRAINING OF PROBATIONARY INSPECTING CLERKS.

*By* PROF. BHUPATI BHUSAN MUKHERJI, M.A.

Khan Bahadur Mohiuddin Ahmad very aptly described in one of his 1916 circulars that the "Inspecting Clerk is the pivot of the movement" and that the greatest care should be taken for his selection and training. He is the missionary and the high priest and to him the flock looks up for support and guidance. He has been entrusted with the work of propaganda, organisation and supervision and he is the medium through which all improvements—Agricultural, Industrial, or Education—can be initiated.

As the system holds good now the Inspecting Clerk must be at least a matriculate though some Banks have shown a preference for non-matriculates. According to Circular No. 9 of 1922 the Assistant Registrar sends up in July an estimate of officers to be required during the next year and on receipt of the Registrar's sanction he forwards his nominations. The final appointments are made by the Registrar. The appointed candidate has to join in September for 3 months' training. During this period he is attached to some Bank where he is expected to have his practical training in Book-keeping and Accountancy and also he accompanies the Local Auditor on his tours for 4 weeks. Then he has to sit for an examination in which his knowledge of Act II of 1912 and the other Departmental Circulars and rules (as prescribed in Registrar's Circular No. 13 of 1916) is tested and he is asked to draw up a Balance Sheet. This examination is solely conducted by the Assistant Registrar and on his securing pass marks the candidate receives a certificate of competency and is declared eligible for employment.



From this, it would appear that the candidate gets practically no training in the theory of Co-operation and he has no knowledge of the other subjects connected with or having a bearing on his sphere of work. The pamphlets which he is expected to read and acquire a mastery over are themselves quite excellent in their own way but can be hardly said to be suitable for the purpose of the instruction of the Inspecting Clerks as the details are meagre and some of them are out of date. The study of Act II of 1912 must naturally occupy the most important place in the theoretical course, but unless the Act is studied along with its economic background and all the intricacies of most of its sections are carefully interpreted, it will not help the student in any other way except to confound him. It will encourage cramming.

The training system is also defective. The candidates are attached to some Banks who not unnaturally consider these as unwelcome and their interest in their training is bound to be little as they know that after the period of training the Inspecting Clerk may be appointed to a different Bank. Then again I am afraid no Bank is willing to allow these probationers to write their ledgers as the Bank and not those candidates are responsible for any mistakes. What these probationers really do is to sit quietly and watch passively the work going on. The audit training with the Auditors is likely to be thorough or superficial according to the enthusiasm or apathy of the Local Auditor whose own work must suffer if he devotes some time to these probationers. I have usually found that the probationers are asked merely to draw up the overdue list or calculate interests and that is the only audit training that they get. Then the probationer has not to conduct any annual general meeting or organise any society and his capacity of organization or public speaking is not tested in any way. During my inspection of the societies of our Bank, I always make it a point to take with me probationery Inspecting Clerks, if any, but it has been my experience that they do not take any active interest in the proceedings of the general meetings or during inspections I have found many Inspecting Clerks unable to read Kaithi hand writing.



Hence it is clear that the present system must be improved and I beg to put forward the following scheme—

### Recruitment.

The Central Banks are much interested in the proper selection and training of the Inspecting Clerks. Hence instead of receiving the applications direct the Assistant Registrar should request the Central Banks to nominate say two candidates each out of which the selection for the requisite number would be made. The work of selection should be in the hands of the Probationers Training Committee which would be elected by the Divisional Federation with the Assistant Registrar as president.

### Training.

After selection the Inspecting Clerks should be asked (1) to undergo a theoretical training for  $1\frac{1}{2}$  months and (2) practical training for  $1\frac{1}{2}$  months.

#### (1) *Theoretical Training.*

The Inspecting Clerk should attend a Training Class say at Muzaffarpur where they will have to attend lectures for say three hours daily for 6 weeks on the subjects mentioned below, after which they will be considered eligible for appearing at the examination—

- I. Theory of Co-operation, the prescribed rules and Act II of 1912.
- II. Theory of Economics including Rural Economics.
- III. Book-keeping and Accountancy.

This Class can be held either in the morning or in the evening. Paper 1st and 2nd can be taught by the Professors of Economics of the Greer Bhumi-har Brahmin College and Paper III by the Divisional Auditor. In the case of the former the permission of the Education Department will have to be taken. The examination should be conducted by these two along with the Assistant Registrar. Besides Papers I and II, some marks should be allotted for public speaking which would of course be tested by a *viva voce* examination.



(2) *Practical Training.*

The successful candidates will then be attached to some Banks for their practical training. They will be placed under the manager of those Banks who will be responsible for their efficient training. The Manager can be encouraged by the grant of stipends if their pupils show good results, after the system in vogue in the Sanskrit *tols*. The candidates will be supplied with the specimen forms of Bank ledgers and other forms and they will be expected to enter in them actual transactions of the Bank for some period. The Manager should see that these are not copied from the Bank ledgers but are entered as the transactions actually take place. They would also be expected to audit societies and submit reports three of which may be done with the Manager or Local Auditor, but three must be done independently by him. During this period he should be asked by the Manager to help him in the organization of as many societies as possible. Before the completion of this training the Honorary Secretary of the Bank should ask the probationer to hold the General Meeting of a Society in his presence where his power of public speaking knowledge of rules and bye-laws would be tested and he would grant a certificate to that effect.

Then the specimen ledgers, Audit notes filled up by the probationers along with the Secretary's certificate should be sent to the Assistant Registrar who will scrutinise them and examine him on these points. He will also have to appear at an examination on Co-operative Book-keeping and Accountancy after passing which he will be given the certificate.

The whole of this work of training may be concentrated at Patna where it may be conducted by the Development Officer or if that is not possible on account of heavy expenses which it would entail classes as proposed may be opened in the Divisional Head-quarters where there are also 1st Grade Arts Colleges teaching economics. The Professors of Economics of these may be requested to co-operate of course if the authorities of these College allow.

The proposed scheme of training will not be very costly. The Inspecting Clerk gets allowances for the period of training for



3 months. Then the honoraria together with expenses of holding the class would not exceed Rs. 350/- in each centre which can be met out of the Development Fund. This expense is quite negligible when one realises the immense improvement the new scheme is likely to bring about in the ranks of Inspecting Clerks and Bank Managers.

## THE CO-OPERATIVE MOVEMENT IN JAPAN.

By PROF. P. MUKHERJI.

In Japan, as in India, the modern Co-operative Movement is a movement *from above* and not from below. The Japanese Co-operative Law of 1900 was not a legislative measure in response to an insistent demand from the people: it was rather a measure imposed on the people by a paternal Government as part of an extensive policy of "enlightened autocracy." It was a movement encouraged and promoted by state help and by a vigorous campaign of well-directed propaganda.

It must not be supposed, however, that co-operative institution of the Western model were grafted on the uncongenial soil of Japan, for the Japanese had already developed an indigenous co-operative system quite independent of state direction and initiative. The native genius of the resourceful people of Japan had already solved the problem of popular finance by their combined efforts, embodied (firstly) in the *Mujin*, and (secondly) in the *Hotokusha*.

The *Mujin*, sometimes called "Tanomoshi" or "Ko," unlike the *Hotokusha*, was not founded by the efforts, and in accordance with the precepts, of any one person, but has been a spontaneous growth among the Japanese as a method of mutual finance—taking its birth as early as the fourteenth century. The modern *Mujins* are organised either on a mutual aid basis or as profit making concerns. The business *Mujins* are subject to the Business *Mujin* Law, but there is no special law relating to the mutual aid *Mujins*—and it is the latter which we have to consider as a fore-runner of the Modern Japanese Co-operative Movement. The mutual aid *Mujin* is an association



formed by from 30 to 50 persons usually for raising capital sums required for business or for private expenditure including payment of taxes, marriage expenses, repayment of old debts, pilgrimages, etc. Most of the *Mujins* aim at providing their members with cash advances or with goods : they are limited in duration, lasting for from 10 months to 50 years. Subscriptions are usually paid in cash, but sometimes in kind or even in labour ; the total amount to be drawn usually ranges from Y 100 to Y 300, but it may be something as little as Y 5, and sometimes as much as Y 10,000. Payments to members are determined either (1) by drawing ballot, or (2) by bidding (auction), or (3) by both.

As an organisation of finance, however, the *Mujin* seems to fail on two points—firstly, where the member urgently requires to be accommodated on account of financial embarrassment and bids for the advance, he is forced to accept a sum considerably below the total due to him, were he able or willing to wait ; consequently he perhaps pays a very high rate of interest indeed for his accommodation, where the prizes are drawn by lottery it is pure chance to whom the money will go, and he who may require it most urgently may have to wait the longest. The *Mujin* has thus a speculative element in its organization and working which may in some cases grow to such dimensions that it may unconsciously pass into a mere gambling club.

When, however, Ninomiya Sontoku (1787-1856), the Peasant Sage and Philanthropist of Japan, breathed the fire of his ideals into the then existing form of the *Mujins*, they reappeared in a far more purified form as the *Hōtokusha*. Sontoku's ideals resolve themselves into four principles :—

- (1) Its foundation, *Sincerity*—even as God is sincere.
- (2) Its principle, *Industry*—even as Heaven and Earth and all creation are ever at work without repose.
- (3) Its element, *Living according To One's Station in Life*—to live simply and never exceed one's rightful means.
- (4) Its essence, *Helping one's Neighbour*—to give away all unnecessary possessions, material or other, in the service of Heaven and mankind.



These principles are also the fundamentals of the true co-operative idea and they were embodied in the *Hôtokushas* which were practically organised by Sontoku's disciples and adherents. The objects of the *Hôtokushas* are generally to bring about a union between economy and morality, *i.e.* to found true economy on the basis of pure morality. "Men who wish to render thanks to Heaven by benefiting mankind as much as they can; men who wish to reform villages in order to help the poor; men who wish to sow the seeds of goodness that they may enjoy its lovely flowers and noble fruit; of such men does the *Hôtokusha* consist"—so wrote Stokai Fukuzumi, a great disciple of Sontoku. The first clause of association of every *Hôtokusha* reads something like this—

"This *Hôtokusha* aims at returning good for good in accordance with the traditions left us by Ninomiya Sontoku."

By the words "returning good for good" is meant that by practising the four principles of Sontoku, as mentioned above, the members are able to elevate character, to promote the prosperity of one's household, one's village and one's country, and thus contribute to the general welfare of society at large.

The members of the *Hôtokusha* must, besides fulfilling the requirements of the modern credit society, fulfil the following moral requirements—"Members should respect our great master, Ninomiya Sontoku, and observe the following rules—

- (1) For the bounteous gifts bestowed upon us by our God, our Emperor, our parents and our ancestors, we should strive to give a return by our virtues and our good deeds;
- (2) Members should practise diligence and thrift; observe a certain limit in expenditure, and thus establish a firm foundation for wealth and prosperity.
- (3) Members should sow seeds of goodness and plant roots of goodness, and enjoy happiness for ever.

The functions of the *Hôtokusha*, besides the granting of loans, which occupies only a subsidiary position in the whole programme, cover social, economic, local-administrative and charitable purposes. A pamphlet issued by the Japanese



Federation of *Hôtokushas* enumerates the functions of the *Hôtokushas* as follows :—

- (1) *Public Service* : elucidation of the national constitution; the cultivation of national character and public spirit; the knowledge of constitutional self-government; assistance in the paying of taxes and in the educational system of the government and hospitality to men doing their military service.
- (2) *Educational work* : dissemination of common-sense and scientific knowledge; the amelioration and raising of habits and customs; the observance of respect and religious rites; respect for age; cultivation of morality; praise and reward of good conduct, such as that of dutiful children and faithful wives; provision of recreation and comforts for apprentices; the maintenance of the harmony of the home; the education of children and the formation of women's associations, young men's associations and boys' associations.
- (3) *Economic work* : increase of production; regulation and control of expenditure; co-operation between the rich and the poor; encouragement of thrift; financing; the introduction of exchange and the collective marketing of member's products; holding of exhibitions; various kinds of co-operative work; the establishment of agricultural warehouses and the utilization of waste products.
- (4) *Social work* : the betterment of means of communication and irrigation; establishment of libraries and public halls; entertainments and recreation, helping in cases of accidents and distress; assisting people in their business; charity, sanitation, and hygiene; assistance of gifted persons; observing ceremonies on coming of age, marriage, funerals and ancestral worship; observance of punctuality; prevention and extinction of fires and prevention of floods, and the investigation of questions affecting clothing, food and housing.



From a perusal of the objects as described above, it is apparent that the *Hôtokusha* is an organization primarily ethical in its objects, the granting of loans being of secondary importance. It is not my purpose here to go into the details of the working and organization of the *Hôtokushas*. I desire only to point out that this indigenous Japanese institution had ingrained in the minds of the Japanese the co-operative and democratic idea and prepared the soil for the reception and fructification of the ideas of Western co-operation when they were sought to be introduced into Japan by her modern Statesmen.

The modern Co-operative Movement of Japan, which during the last 20 years, has made such a wonderful progress, had its beginning with the passing of the Co-operative Law in 1899, which came into force in 1900. This movement was quite independent from, and had no organic connection with, the earlier forms of Co-operation described above. The only connection between modern Co-operation and its indigenous forerunners may be taken to consist in the fact that these earlier forms did yeoman service in moulding the simple mind of the Japanese farmers and artisans to an appreciation of the benefits of co-operation. Therefore, the year 1900 marks the beginning of a new era in the history of the Japanese Co-operative Movement—a movement modelled on European—more particularly German, lines.

The Japanese Co-operative Movement is a small producers'—primarily farmers' movement: this must naturally be so in view of the fact that more than 50 p.c. of the population in Japan is agricultural. The Japanese law is, therefore, mainly intended to benefit this class of farmers, and, as such, rigidly prescribes only four distinct types *viz.* credit, marketing, purchasing and machinery societies: it permits, however, the combination of the functions of these four types, so that credit societies may carry on, in addition to their own proper business, that of one or more of those four types. The first clause of the Japanese Co-operative Law defines the nature and object of a Co-operative Society, and also enumerates the four permissible types of such a society. This clause runs as follows—

“A Co-operative Society registered under this law is an



incorporated association for the purposes of developing the industry or domestic economy of its members, organized to attain the following ends—

- (1) To provide the members with funds necessary for the development of their industry and also to facilitate saving (Credit Societies).
- (2) To sell collectively the products of its members, and, if necessary, so to treat them as to increase their marketable value (Marketing Societies).
- (3) To distribute among its members the goods purchased (in the open market), or produced or partly produced by the society, necessary for their industry or domestic economy (Purchasing Societies).
- (4) To acquire plant for the collective use of its members in their industry or domestic economy (Machinery Societies).

During the short period of twenty years co-operation has permeated the whole country : at present the total number of societies exceeds 13,700, *i.e.*, more than the total number of cities, towns and villages of Japan and the aggregate number of members approaches 2,600,000. Taking the whole number of Japanese families as about 10,234,000, and taking into consideration that only the head of the family is a participant in the movement, we find that there is one co-operator for every four families, and it may also be safely asserted that nearly half of the agricultural population of Japan has become converted to the principle of co-operation.

Of all types of Agricultural Co-operation, Credit Societies are in Japan the most important and numerous, representing more than 80 per cent. of all existing societies. In Japan, as in Germany and India, credit societies predominate over all other forms of co-operation ; it is a noteworthy fact that in Japan the combination of various activities in one society is very widely adopted, while in some countries, such procedure is, or has been, discouraged. The internal organization of the credit societies deviates from the Raiffeisen type in some essential points.



Japanese Credit Societies have no indivisible reserve fund ; they prefer limited liability to unlimited liability ; they do not seek to promote the moral aims of Raiffeisen societies or the *Hôtokushas*.

Marketing Societies have not developed as rapidly as Credit Societies, though there are some important Rice and Silk Marketing Societies. Purchasing Societies for fertilizers and other requirements are more flourishing than marketing societies and are progressing rapidly : various endeavours are being made to promote both marketing and purchasing societies side by side with credit societies : granaries and warehouses are essential for the proper functioning of marketing societies and a special Act dealing with these granaries and classifying them under the name of Agricultural Warehouses was passed in June, 1917. The important points of this law are as follows—

- (1) An agricultural warehouse can be established only by co-operative societies, by agricultural societies (non-trading associations) or by other public corporations and local governments (including cities, towns and villages).
- (2) An agricultural warehouse cannot carry on business for the purpose of profit-making.
- (3) Such warehouses can handle only rice and other cereals and cocoons produced or owned by farmers or land-owners.
- (4) The chief business of such warehouses must be—
  - (a) Storing goods on the system of "storage for exchange" ;
  - (b) Further handling, packing and re-packing of stored goods ;
  - (c) Acting as intermediary or commission merchants for the sale of stored goods ;
  - (d) The issuing of Warrant Certificates, having the same legal status as those issued under the commercial code of law ;
  - (e) Advancing money against such Warrant Certificates.



- (5) Such warehouses are exempt from income and business taxes.

The development of agricultural warehouses organised by Co-operative Societies has been astonishing, there being 1082 of them in June, 1922 : these warehouses are now to be found in every part of the country.

As in India, so in Japan the Co-operative Store Movement has not made appreciable progress. This is largely due to the fact that the Japanese people as consumers have not yet awakened to a realization of their own interests, and, above all, to the fact that the Government, to whose energetic propaganda much of the co-operative development is due, has never seriously encouraged the Consumers' Co-operative Movement. This state propaganda took the form of lectures by Government officials, canvassing, circulars and pamphlets. Particularly the Government sought to enlist the sympathy and interest of leaders of small communities; mayors of villages, school masters, small officials of the village administration were sought out and converted to the co-operative idea : this propaganda is still carried on in schools, so that the young people may be imbued with the ideals of co-operation. The driving force of the co-operative movement in Japan did not spring from among the people themselves, but came from the Government without whose encouragement and benevolent assistance we should not have seen the present-day magnitude of the movement in Japan. Constant vigorous propaganda, insistent dinning into the ears of the simple-minded peasants that the modern system of co-operation was the only remedy for many existing evils, have brought modern Co-operation in Japan to its present developed and prosperous condition.

In the above few pages I have tried to give a bare outline of the movement in Japan; the whole of this article is based on Professor K. Ogata's admirable treatise on the Co-operative Movement in Japan (published by Messrs. P. S. King & Son)—a book full of instructive lessons for co-operators in India. My only object in writing this article is to draw the attention of the readers of this Journal to this extremely instructive book, so that they may read the book itself."





## **PROGRESS OF CO-OPERATIVE MOVEMENT IN THE NARAYANGANJ SUB-DIVISION.**

[Notes on the progress of Co-operative movement in the Narayanganj Sub-Division prepared by Moulvi Mafizudin Ahmed, M.A., B.L., Hony. Secretary of the Narayanganj Central Co-operative Bank Ltd. for Honourable Sir Abdur Rahim, Kt., member of the Executive Council of the Governor of Bengal.]

The Sub-Division of Narayanganj is the field of operation of three Central Banks.

- (1) The Dacca Central Bank.
- (2) The Narayanganj Central Bank.
- (3) The Raipura Central Bank.

The total number of Societies upto 31st December 1924 is 300 of these 104 (by split up 9 have increased) are affiliated to Dacca Central Bank, 26 to Raipura Central Bank and 161 to Narayanganj Central Bank.

Before the Narayanganj Central Bank was started there were only 104 Societies in this Sub-Division, which were affiliated to Dacca Central Bank.

The necessity of starting a Central Bank in the Sub-Divisional Head-quarter was first felt by Khan Bahadur Moulvi Asaduzzaman, the then Assistant Registrar of Co-operative Societies, Dacca Division and Mr. Staig, I.C.S., the then Sub-Divisional Officer of Narayanganj. Moulvi Badruzzaman Badre; Circle Inspector of Co-operative Societies was asked to see to this and he with the help of Babu Upendra Nath Sen, the Divisional Auditor organised the Central Bank.

The progress, the Central Bank has made, will be evident from the different statements attached to the note.

Even after the establishment of the Narayanganj Central Bank the rush of applications for new Societies specially from the Raipura thana was so great that the question of organising a separate Central Bank at Raipura was taken and the Circle Inspector Moulvi Badruzzaman Badre, took the matter in right earnest and succeeded in organising a pure Central Bank there in August last.



I am glad to note that I have been elected as a Vice-Chairman of the Central Bank and have the pleasure to note that although the Central Bank has not yet completed even six months of its existence it has got about 26 Societies affiliated to it and has loaned out about Rs. 26,000/- and is about to advance a similar amount shortly.

It is really gratifying to note that the Hony. Secretary and the Clerk of the Raipura Central Bank both are graduates of the Calcutta University.

It is expected that during a very short time the Sub-Division will have a net work of Co-operative Societies.

The Circle Inspector is contemplating to start a Central Bank at Narsingdi another at Monohardi—two important thanas of this Sub-Division. He will take up this question as soon as he has put the Raipura Central Bank in proper working order.

It is not only the Agricultural Credit Societies for which there is scope in this Sub-Division but special type of Societies can also be organised.

There are already six Weavers Societies in the Sub-Division. Byelaws for four Well Societies have been drafted for Bakhrabaj joar—a char in the Raipura thana which will be submitted to Assistant Registrar shortly.

The Circle Inspector is in correspondence with the Assistant Registrar about Jute Societies. The Circle Inspector and myself visited the Monohardi area for organising an Irrigation Society and our joint report will be submitted to the Assistant Registrar for his consideration.

There are already three fishermen unlimited liability Societies under Narayanganj Central Bank and a limited Society of the fishermen at the suggestion of the District Magistrate, Dacca was taken up by us and the Circle Inspector has organised it. Though a limited liability Society we have got it affiliated to the Narayanganj Central Bank in order to supervise its working and help in its affairs.

At the instance of the members of the Executive Committee we have deputed one of our clerks to assist them in realizing the arear rent. This Society has taken lease of the Lakhya River from the Government direct and it is a distinct boon to the poor fishermen.

We are thankful to Khan Bahadur Moulvi Asaduzzaman, the then Assistant Registrar, Co-operative Society, Dacca Division for his selection of such a tactful zealous silent worker as Moulvi Badruzzaman Badre, but



for his untiring efforts and constant zeal we could not have shown such a brilliant progress.

The remarks of Mr. \*Donovan on the training class of the rural Secretaries will show how the class was being managed. This class was also visited by Rai J. M. Mitra Bahadur, the present Registrar, who was pleased to put some questions on co-operation to the Secretaries present in the class and expressed much satisfaction on its working.

The reason for appointing three Junior Supervisors in place of a supervisor—transferred, was not only that efficient supervision will be carried on as contemplated in the Calcutta Conference at the Registrar's office but also that they may take up the classes which will shortly be opened in the different centres of the Sub-Division.

## A SCHEME FOR NIGHT SCHOOLS IN CHANDPUR • SUB-DIVISION.

*(Subject to the approval of the Registrar, Co-operative Societies, Bengal).*

### 1. Possible sources of income and expenditure :—

INCOME.		EXPENDITURE.	
	Rs.		Rs.
1. Contributions from societies @ 5/- per year ...	350 1,750	1. 15 teachers @ 20/- per month (20 × 15 × 12)	3,600
2. District Board @ 50/- For each school ...	750	2. Contingency, oil, etc. @ 3/- per school a month (3 × 15 × 12)	540
3. C. B., Chandpur ...	750	3. Miscellaneous (mats, etc.) ...	60
4. C. B., Matlab ...	200		
5. Development Fund ...	750		
Total ...	4,200	Total ...	4,200

Number of schools to be established :-

1. Chandpur P.S.	...	2
2. Hajiganj	„	2
3. Faridganj	„	3
4. Kachua	„	3
5. Matlab	„	5



3. Curriculum :—

1. General Education.
2. Agriculture.
3. Sanitation.
4. Industry (weaving, cottage industry).
5. Co-operative Principles.
6. Account-keeping.
7. Religious Instruction.

4. Rules for Management :—

- (a) The schools will be managed by a Committee consisting of the following :—
- (i) Circle Inspector.
  - (ii) One Auditor.
  - (iii) Education Member or anybody selected by the District Board.
  - (iv) Two representatives of the Chandpur Central Bank, one of them being the Secretary of the Bank.
  - (v) Two representatives of the village Societies, one of them being a village director under Chandpur Central Bank.
  - (vi) Two representatives of the Matlab Central Bank, one of them being the Secretary of the Bank.
  - (vii) One representative of the Societies under Matlab Central Bank.
  - (viii) Two Supervisors from two Central Banks.
  - (ix) One Hony. Organizer.
  - (x) Dy. Inspector of Schools.
  - (xi) Circle Officer.
- (b) Office-bearers of the Committee will be elected from the members annually.
- (c) Schools will be held throughout the year in the houses of President-Panchayets or Chairman or Secretaries of rural societies but at suitable centres.
- (d) These night school teachers will hold schools at night with the members of rural societies and villagers and at day-time give primary education to boys.
- (e) The education of office-bearers, members of rural societies and their boys will be compulsory and at the same time free of cost.



- (f) It will be optional on the part of villagers other than members of rural societies to receive education or send their boys to these schools.
- (g) A training class of teachers will be held at the head quarter by the C. I., Agriculture and Sanitary Officers twice a year with the help of the members of the Committee or persons selected by the Committee, on dates to be fixed from time to time by the Committee.
- (h) As an experimental measure each school will sit continuously at one station for three months, so that the whole area of each P.S. may attend to it, on condition that area of each school will be situated within a radius of half a mile. With the increase of number of schools, a time will come when each village will have a school of its own and be self-financed.

A. HASSAIN,

*Circle Inspector, C.S., Chandpur.*

## CO-OPERATION IN THE DISTRICT OF NADIA.

HON'BLE SIR HUGH STEPHENSON'S SPEECH.

Sir Hugh Stephenson, accompanied by the Maharaja Bahadur of Nadia, opened the new building of the Nadia Central Co-operative Bank.

Sir Hugh in his speech said :—"It gives me very great pleasure to assist at to-day's ceremony not only because I am one of the large and growing number of people who look to the co-operative movement as one of the most hopeful factors in India's future progress, but also because it enables me to emphasise the fact which many of us are liable to overlook, that politics in the sense that the word is now-a-days generally used is essentially but a small fraction of a nation's activities. The original Greek word had a much more comprehensive meaning and embraced all the activities of the ancient Greek city state ; but though the politician had no more right to monopolise the meaning than the policeman, for both words are derived from the same root, in fact the word politics has come to mean only a particular form of party strife, and in Bengal where the party system has not yet developed far, it is used to denote a form of



opposition to Government. If we were dependent on the daily press for our ideas as to the life in Bengal, we should be driven to the conclusion that there is no life without politics in this narrow sense—a conclusion which the history of the co-operative credit movement proves palpably false. Politics in the sense would mean death to this movement for it would introduce divisions in a sphere where close co-operation and mutual trust is essential for success. The co-operative credit movement could not have started on its present broad lines without the assistance and guidance of Government but it would have remained a sterile idea but for the self-help and mutual co-operation of the people.

#### QUESTION OF GOVERNMENT HELP.

“At the present stage of the movement in Bengal one of the most difficult questions is how far Government can help without the risk of impairing the self-reliance of the people on which the movement must be based ; there may be divergent views as to individual details, but there is no possibility of any difference of opinion as to the main principle, no room for parties, communal divisions or politics. Co-operative credit is now a Transferred Department and perhaps I owe my presence here to-day to an unfortunate accident, which I trust will be merely temporary, but even as the much abused member in charge of the police I claim to be as much interested as any one of you in the development of the co-operative credit movement. The department was not wrested from the unwilling hands of the officials, but it was transferred, and I was a member of the Committee that made the original suggestion, because we felt that it was essentially a sphere where the greatest development was possible by the activities of the people themselves. But we cannot be divorced from interest in the department ; every department of Government re-acts upon the rest ; as every police officer is vitally interested in the spread of sound education, so every District Collector is vitally affected by everything that works to the prosperity and advancement of his district, and you can rely on the hearty co-operation of all officers of the Government, whether serving in the Transferred or Reserved Departments in any movement honestly directed for the welfare of the country.”

#### NADIA CENTRAL BANK.

Referring to the Nadia Central Bank as one of the oldest institutions of its kind, its history being a “record of sound and steady progress,” Sir



Hugh said :—"The most interesting feature is its self-effacement for the common good in the matter of the four subsidiary central banks. The Nadia Central Bank has necessarily curtailed the area of its operations till it is now restricted to the Sudder sub-division in order that other central banks might take its place in the rest of the district ; on each occasion it has generously helped its suppliants by handing over assets to the detailment of its own income and by giving up trained staff which has had to be replaced by untrained men. I heartily congratulate the Directors on their excellent example of the true co-operative spirit and I trust that other central banks will follow in their steps. I hope that the Nadia Central Bank will reap its reward in the formation of other sound societies to take the place of those lost so that the danger that the Secretary apprehends of having no outlet for the investment of its funds may be averted. I am aware that the progress in Nadia has not been without its set-back. The embezzlement in the Kushtia Central Bank threatened seriously to shake the public confidence and showed the essential necessity of insisting on every possible safeguard and I hope the lesson has not been lost on other Central Banks ; there is no short cut to co-operative credit development any more than there is to growth of constitutions. But even here is a bright side to the picture. The ready assistance of the other Central Banks and the Provincial Bank, and the prompt action of the village societies to place the Kushtia Central Bank on a sound footing again averted the danger and restored and strengthened the public confidence. With that spirit Bengal can work out its own salvation."

"The co-operative movement in Nadia" continued Sir Hugh, "has done more than provide credit banks. It has organised societies among fishermen and weavers. An industrial union has been established to supply raw materials to industrial societies to grant them credit facilities and to arrange for the disposal of the finished products of their members. I know that the progress of this Union may seem disappointing to some but the difficulties of every fresh line taken are always great ; the problems in each case are different and the solutions must be stoutly and laboriously worked out. I am very glad to hear that the Central Bank is doing its best to support the Industrial Union and the Directors have been so successful in working on the right lines in the past that I have little doubt that they will enable the experiment to pull through and why should not sale societies for the disposal of agricultural produce follow? In fact, the possibilities of the co-operative movement are almost limitless and I



have hopes that the somewhat nebulous schemes for village reconstruction that are so much in the air at present may by the aid of the co-operative movement or its spirit be utilised to the permanent good of Bengal ; and I am confident that the leaders of the co-operative movement in Nadia are admirably competent to direct this enthusiasm into the right channels."

## **THE THIRTEENTH BOMBAY PROVINCIAL CO-OPERATIVE CONFERENCE.**

His Excellency Sir Leslie Wilson presided at the thirteenth Bombay Provincial Co-operative Conference, held in Bombay in December last in the Sir Cowasji Jehangir Public Hall.

Mr. G. K. Devadhar, Vice-President of the Bombay Central Co-operative Institute, in welcoming the delegates, said :—

We are extremely grateful to His Excellency Sir Leslie Wilson the Governor of our Presidency, for his kind acceptance of our invitation to be the President of the Institute in pursuance of the custom and under our constitution and also to deliver in that capacity his first inaugural address on this occasion. I had no doubt in my mind about His Excellency's interest in this movement as the head of this Province. When in one of my early meetings I mentioned to His Excellency our desire that he should be the President of the Institute he at once told me of the interest he took in such work while in England and assured me of his sympathy with the co-operative movement in our Presidency and readily accepted the invitation to be the President of the Institute. Further His Excellency has given his normal support to the co-operative work in this presidency by undertaking to open at Dharwar a co-operative building for the use of the Karnatic Central Co-operative Bank and opening in Bombay co-operative buildings for the Parsis, belonging to a co-operative house society started under the auspices of their central association. On both these occasions His Excellency made important pronouncements of liberal policy. And I am quite certain that during His Excellency's regime we would find in him a very kind and sympathetic friend.



## CENTRAL INSTITUTE.

Proceeding, Mr. Devadhar referred to the progress of the work of the Bombay Central Co-operative Institute and said :— I have no hesitation in saying that there has been a general and all round advance in the work of the Institute in all its aspects and thus judging it from both the qualitative and quantitative points of view it may be described to be satisfactory, though there is no one in this assembly more conscious than myself of its shortcomings and need for further growth. As regards members it has a society membership of over 2,900 in addition to individual membership of nearly 700. Thus the total membership to-day stands at nearly 3,177 at the end of the last official year. The income of the Institute also shows a tendency to grow. We have this year the good fortune of being represented at the Ghent International Co-operative Congress and Exhibition in the persons of Messrs. Otto Rothfeld and Huly. Moreover there is a distinct improvement in the status of the Institute and in the recognition of the services it is rendering to the cause of co-operation in general as is evident from the fact that the active help and advice of its officers are in constant demand from outside provinces such as Madras, Malabar, Cochin, Rajputana, C. P. and Berar. It would be interesting to note in addition that its model is being copied by co-operators in other provinces who have felt the need for distinct propagandist organization of a non-official character and where the movement so far was more or less guided and controlled by the officials of Government.

## CO-OPERATIVE SOCIETIES' BILL.

I would like to allude briefly in this rapid survey of our growth to a few outstanding problems that are engaging the mind of the Institute and that of the co-operators in our Presidency. The Co-operative Societies' Bill before Legislative Council has indeed created a good deal of stir in intelligent co-operative circles and provoked lively discussion on many an important point. The result which the Institute would welcome as the offshoot of this legislation would be the facilitation of the



process of gradual de-officialisation of the movement which ought to be the aim to be set before them by the advocates official control.

With a view to securing better supervision and guidance of the primary societies, a new measure in the future development of the movement is being provided by the formation of supervising unions which are a distinct characteristic of the co-operative movement in Madras. The object of these bodies is to supply the necessary help and guidance to the movement at the earliest stage of its career in supersession of the older unions called guaranteeing unions. The Institute has lent its support to this policy and is prepared to shoulder in a legitimate degree its responsibility provided, however, that Government are prepared to place at its disposal adequate funds for this purpose in the beginning and also allow the machinery of the honorary organisers together with the funds set aside for its working to be merged into the Institute which would then be in a much better position to take this additional responsibility and make a more serious effort to tackle the problem of supervision which it must be admitted should be more close and frequent at the same time sympathetic and helpful carefully avoiding duplication and of the machinery for supervision and inspection.

#### BUILDING FOR THE INSTITUTE.

We are looking forward to the completion of the Institute building which has made good progress during the last six months. The building is estimated to cost about Rs. 3,50,000 and out of this amount we have been able to collect promises of a little over Rs. 56,000 and the Bank has agreed with the consent of the Registrar to grant a loan of Rs. 2,00,000 on this property of the Institute being mortgaged to it. Thus it is necessary for us to make a further effort to collect a lakh of rupees from those who are co-operators and friends and advocates of the co-operative movement. We look to Government for adequate help including some further concession of rent-free period not exceeding two years which may be required to make the building ready for occupation. Believing as I do that co-operative work is the best form of training in citizenship and



the means of imparting practical education, I would not hesitate to ask Government for a building grant as similar grants are made to educational institutions or societies, libraries, museums, etc.

### PROGRESS IN INDIA.

This world-wide movement of co-operation has its great counter-part in India. We have to-day in our country more than 56,000 co-operative formations with a total membership exceeding 22,03,000 and with a sum of nearly Rs. 36,00,000 made available for coursing through its veins. Its results, both in the moral and material spheres, have been far-reaching. We in our Presidency do not suffer by comparison in a material degree with other provinces except probably in respect of number of societies and other comparisons proceeding therefrom. But the real test of the movement lies in its soundness in several directions. We have, according to the latest official figures for the year ending 31st March, 1924, 3,743 societies with their total membership standing at 3,57,300. Our working capital has risen to Rs. 6,19,00,000 from Rs. 5,36,00,000 at the end of the last official year. We had our own share of overdues—nor much to be deplored as compared with those in other provinces and considering bad seasons. These ranged from 12 per cent. to 18 per cent. but there has been a steady decline since they have been brought down to 17 per cent., by the end of the official year just completed; and during the succeeding months, I am told, they have received a further check and have been still more reduced.

### AGRICULTURAL FINANCE.

The system of tagavi loans is gradually being brought under the influence and operation of the co-operative movement and it is hoped that with the concurrence of Government, the Registrar would be able to make the system more attractive, and its procedure less cumbrous. By this means the villages in which there are co-operative societies would enable their members to secure long-term loans at a comparatively low rate of interest



which, I am glad to see has been brought down to 6 per cent. by a recent Government Order. The agriculturists would thereby be enabled to carry out schemes of land improvement and have their liability spread over a longer period so as to enable them to redeem their debts out of their profits.

#### URBAN PROBLEMS.

Among the many urban problems that are claiming our serious attention I might mention one relating to the housing societies, for the working classes. The process for co-operative houseing societies has led to a demand for similar provision being made with greater concessions for the supply of houses to the labouring class population by Government in industrial centres and I am sure, with the help and co-operation of the employers of labour and the Municipalities for those areas, our Minister during his regime would endeavour to the best of his abilities to find a solution of this problem.

It was commonly believed so far that co-operation had no scope for helping women or for being helped by women. I am glad that you will be able to see from the supplementary programme that this doubt is being removed by the women co-operators of Bombay who are holding to-day in this very hall their own meeting to discuss their problems and thus to reap the benefit of co-operation for the amelioration of the economic condition of some of their poor sisters. If women successfully take to co-operation, they will be able to create a formidable force which will carry on its beneficent results into the hearts and homes of thousands of poor families. What is needed is vigorous propaganda and sympathetic guidance in the beginning; and I can assure our sisters on your behalf as also on behalf of myself and the Institute that they can count, in their self-relying efforts upon our whole-hearted assistance.

#### THE GOVERNOR'S ADDRESS.

His Excellency the Governor then said :—It is a great pleasure to me to come here this morning to inaugurate the 13th meeting of the Bombay Central Co-operative Conference. The



movement is one with which I have very great sympathy, but before making any remarks about the movement as such, I should like to say a few words on the subject of co-operation, in its wider sense. It is undoubtedly a fact that co-operation is the basis of practically all useful endeavour—and this co-operative movement has done more than anything else to give to the inhabitants of the towns and villages in the Presidency a real sense of responsibility, and has enabled them to realise how much they can do by self-reliance and mutual trust. Co-operation is constructive and is progressive in every way. This movement has shown, more clearly perhaps than any other, the great results which can be obtained by putting into the hands of those primarily interested in agriculture, the opportunity of assisting themselves and their fellow men by accepting the responsibility of advancing money for essential agricultural purposes; and in few cases indeed have those in charge of Co-operative Village Societies found that the confidence they have placed in their fellow villagers has been misplaced.

I have on several occasions discussed the whole question with the Registrar, and I should like here to pay my tribute to the great services Mr. Madan is rendering to the movement. He has given me instances in which quite small villages have built up on their own initiative comparatively large reserves of money, available for assistance to the ryots of their village, by efforts entirely due to the personal enthusiasm and enterprise of one or two men in the village in whom their fellow villagers have complete trust and confidence. There is a great deal in this—far more than would appear from the few words I have spoken. What seems to me to be wanted in this Presidency more than anything else is a feeling of self-reliance, self-confidence, and a trust in others among the many instead of among the few. The co-operative movement affords an opportunity to very many to bring into being those most essential attributes; and when, as is I am glad to say the case, the efforts of a few in the villages throughout the Presidency are so successful in proving that there does exist an initiative and sense of responsibility, this movement, even if it were unsuccessful, which it certainly is not, would have achieved much.



## CO-OPERATIVE SOCIETIES' BILL.

The co-operative movement, which has now been in existence for some 20 years, has already to its credit very remarkable achievements. The results so far obtained are most encouraging, and I believe that the movement is now so popular that in many cases cultivators come forward themselves to join co-operative societies instead of waiting to be persuaded, as was the case only a few years ago. The Central Co-operative Institute, of which I am proud to be the President, has now reached the fourth year of its existence. It was clear that a movement which was expanding so rapidly required some central body to co-ordinate its activities, and I think you will agree with me that the Institute has already done much to justify its existence. One of the most important questions which you will have to consider is that of the Co-operative Societies Bill which has been introduced into the Legislative Council. A very large number of amendments to the Bill have been proposed, and these will all have to come before the Select Committee. The delay which has taken place will probably be found to have been, in the end of great advantage, for the Conference will now have an opportunity of discussing the provisions of the Bill, and the members of the Select Committee whom I am glad to find you have invited to attend the Conference, will have an opportunity of ascertaining the views of representatives from all parts of the Presidency. I have every hope that, when the Bill again comes before the Council, it will be such as to satisfy all those who have the interests of the co-operative movement at heart.

I do not wish to go into the detailed activities of the co-operative movement in this Presidency. There is, however, one point which I should like to mention. When I was recently at Dharwar it was brought to my notice that the procedure for placing at the disposal of agriculturists money advances out of the tagavi grant was unnecessarily cumbrous, and that the rate of interest which members had to pay was rather heavy. I am glad to say that the whole question has been carefully discussed by the Registrar and the Provincial Bank, and steps have now



been taken not only to expedite disposal of such applications, but also to reduce the rate of interest, so that members of co-operative societies will be charged no more than a non-member borrowing directly from Government.

### RECENT PROGRESS.

Reviewing, however, as shortly as I can, the progress made by the movement during recent years, I find that in the last 3 or 4 years a cautious policy has been followed, and I think rightly followed, aimed at the consolidation and improvement of the existing Societies rather than at their multiplication. During the last year, for instance, the total number of Societies showed an increase of only 210. The number could easily have been considerably increased, but it was thought that our energies could more usefully be concentrated on arranging for better supervision of existing Societies, and removing the defects which had grown up rather than at organising new societies. Although the increase in the number of Societies was small, the number of members went up by 21,000 and what is really more satisfactory is that the working capital increased from 533 lakhs to 619 lakhs, showing an increase of 16 per cent. in one year. When we consider that only 5 years ago the working capital was barely two crores, the fact that it has trebled in spite of adverse circumstances during that short period would go to show that the movement has gained very much in public confidence. Another noteworthy feature about this working capital is that nearly 50 per cent. of it is the members' own. The working capital in the movement is as I stated above, now about 6 crores and 19 lakhs. Out of this, it is true a part about a crore or a crore and a half, advanced by Central Bank to societies and distributed by them amongst their members, is counted twice over. I find, however, that out of the  $6\frac{1}{4}$  crores,  $2\frac{1}{4}$  crores represents members' deposits, 75 lakhs their share capital, and 32 lakhs the reserve fund. This increase in the societies own capital is undoubtedly as source of considerable strength and stability to the movement, which aims at being eventually entirely self-reliant.



## GROWTH IN OVERDUES.

One discouraging feature of the working of agricultural societies in recent years has been the growth in overdues. It requires little thought to see that a movement which depends on credit and on the confidence which it inspires in the public, would suffer very seriously if members cannot repay their dues promptly and punctually. The continual growth in the percentage of arrears during recent years has therefore become a source of anxiety, although it must be noted that this percentage in our Presidency has always been very much smaller than the percentage prevalent in most of the other major provinces in this country. In 1922, the arrears amounted to 12 per cent of the working capital. This increased to 18 per cent. in 1923. Special efforts were however, made to check this upward tendency, and although the last season was not favourable in several districts, the amount of overdues was reduced, and, with the favourable rains that we have had this year, it is hoped to reduce them still further. It is of course necessary, when the seasons are bad or unfavourable, to grant extensions, but the tendency in some of the societies to grant extensions wholesale, or to take no steps against recalcitrant members must be checked if the movement is to grow on healthy lines.

## SUPERVISING UNIONS.

With better supervision it is likely, almost certain, that not only will the overdues be considerably reduced, but the general tone and management of societies will improve. We have in this Presidency, so far followed a policy of leaving the societies to themselves. So long as the societies follow their rules and bye-laws, there is little, if any, interference in their internal management from outside, societies' accounts are audited every year by the Government auditor. They may be visited occasionally by the Registrar or the Assistant Registrar or the honorary organiser. There are, however, several societies which do not receive any visit from any outsider, except the Auditor during the course of the year. It is in these societies that very often slackness and deterioration set in. The question about



arranging for supervision was therefore very carefully considered by a committee appointed by this Conference, and, acting on its recommendation, steps are being taken for the organisation of supervising unions, which will appoint well paid and well trained supervisors under the guidance of the Union Committees to inspect societies periodically. I attach very great importance to these measures, for I believe, and am sure you will agree with me, that unless proper and regular supervision has been provided for, it will not be safe to go on increasing the number of societies, nor can we expect great progress in many of the existing ones. In our Presidency we have limited our official staff almost to the bare minimum required to carry out the duties required under the Act, and the best way therefore to provide for the supervision is to organise the societies themselves into unions for the purpose, so that supervision will be internal, i.e., by the societies themselves and not from outside. I hope that the Institute and its branches will pay special attention to the organisation of such Supervising Unions during the current year, and I am sure that in doing so they can count upon any assistance that may be required from the Department.

#### CENTRAL BANKS.

The credit movement in this Presidency would not have made much progress but for the support of Central Financing Institutions, of which the first is the Provincial Co-operative Bank. Great credit, I think, is due to the Directors of the Bank, and to its able Managing Director, Mr. Vaikunth L. Mehta, for the confidence which they have inspired in the public and for the great help that they have been giving to the movement not only by the provision of funds, but also in other directions, especially in having an efficient inspecting staff. The resources of the Provincial Bank have considerably expanded, and it had at one time large surplus funds which had to be invested outside the movement. This was also the case with some of our district Banks, which I am glad to note, with one or two exceptions, have been progressing satisfactorily. It is a pity that, while there is undoubtedly room for the absorption of much more capital in the agricultural movement, the central banks should



have been unable to invest the whole of their capital in the movement, and should have been forced to deposit a substantial part of it for a short period outside the movement. It is for you, gentlemen, to find out ways by which the whole of the capital which comes into the movement to-day might usefully be utilised in the movement itself. One way in which it could be done, it seems to me, is by increasing individual loan limits wherever it is necessary and desirable. This, I understand, has already been done in several cases, especially in Sind and the district of West Khandesh, where accepting the recommendations of the Committee which was appointed to investigate the whole question, the Registrar decided to increase such limits in all suitable cases. What is, however, equally, if not more needed, is the general improvement of the societies themselves. If the measures for the organisation of Supervising Unions, as I have outlined them, are very soon carried out into practice, I expect that there would not only be the possibility of increasing the number of societies, but also of the existing societies being able to utilise large amounts with considerable profits to themselves.

#### PROGRESS IN SIND.

I should like also to say a word about the progress of the movement in Sind. It began there much later than in the Presidency, and yet I understand that during the last five or six years, it has made very satisfactory progress. The potentialities for the future in that part of the Presidency are very great, and those who have taken an interest in the movement there will, I am sure, consider what should be done to keep pace with the expansion of the agricultural activities which will follow the construction of the Sukkur Barrage. I am glad to note that this is one of the subjects which you propose to discuss at this Conference, and I shall follow with interest the views which are expressed here regarding the development of the movement in Sind.

The co-operative movement is no longer a movement confined to a few countries; it has already become a world movement. It is therefore only right that the body which



focusses non-official opinion in the Presidency should interest itself in the activities which are going on elsewhere. It is worthy of note that the Institute has just become affiliated to the International Co-operative Alliance, and has sent its delegates Mr. Rothfeld and Mr. Huly to the International Co-operative Conference which was held in Ghent this year, and it was also enabled with Government assistance, to take part in the first International Co-operative Exhibition which was held at the same place. Such association with similar movements in other parts of the world can only add to the strength and utility of the institute and the co-operative movement in this Presidency.

#### COTTON SALES.

I have already detained you too long but my excuse must be the great interest which I take in this movement which I believe is of the greatest importance in the Presidency. I should like to have spoken of the development of the co-operative movement in urban districts, so greatly assisted by the energy and enterprise of Mr. Rothfield. I should also have liked to have said a good deal on the subject of credit societies, and of the immense value to the agriculturists of the co-operative cotton sales, of which I learnt a good deal when visiting Hubli. You will no doubt discuss these questions during your deliberations, but I believe it is impossible to exaggerate the importance of these sales which are so beneficial to the cotton growers, particularly in the Karnatak and Gujerat, and in which there is such ample scope for further development not only with regard to cotton, but to other agricultural products.

I hope that the movement will continue to progress for the economic development of the people of this Presidency, and that it will also serve as a training ground for those other civic virtues which are so necessary for the advancement of India on the path of self-government. (Applause).

On the motion of Raje Sambhalsinghji of Malgaon, a hearty vote of thanks was accorded to His Excellency who then left the meeting.

The Conference then elected the Hon. Mr. A. M. K. Dehlavi



as Chairman and adjourned to Monday, Sunday having been fixed for the meetings of sub-committees.

The Conference resumed its sitting at the University Convocation Hall, Bombay, Mr. G. K. Devadhar presiding in the absence of the Hon. Mr. A. M. K. Dehlavi, the Chairman of the Conference. Mr. Dehlavi arrived at the commencement of the afternoon's sitting. Before leaving, he made a vigorous appeal to the delegates to be reasonable and moderate in their demands and to repose confidence in Government which was well deserved, judging from Government's past attitude, present policy and future plans with regard to the co-operative movement in this Presidency.

The Conference considered in all about 25 resolutions which were brought forward after having been discussed by Sub-Committees on the previous day. The first resolution recommended that as a measure of famine relief Government might be pleased to arrange for the provision of funds at rates of interest not higher than three per cent. to co-operative societies in famine zones to enable them to finance members for current agricultural needs and agricultural improvements likely to give early returns, such loans being repayable in a period not less than three years and not more than ten. This resolution was adopted by the Conference, which passed the following propositions :—

“That Government may be pleased to bear the interest charges incurred by co-operative societies in famine areas in every famine year and themselves make good such interest to the financing bodies and other creditors, and considers that this would be a legitimate charge on the famine fund.”

“That the co-operative movement in the famine districts must look to a cycle of years and not to a single year, as the basis of finance. . . .”

Other resolutions relating to the construction of protective irrigation works in famine areas, the provision of facilities for well-digging, etc., and the development of secondary occupations in dealing with the problem of famine areas were also passed. The Conference further suggested the granting of total or partial remission of certain Tagavi advances in famine-stricken areas.

One resolution expressed the Conference's opinion that the



time had now arrived to start a life assurance society or societies and mutual benefit funds on co-operative basis and appointed a committee to formulate a practical working scheme for such societies.

### CONSUMERS' SOCIETIES.

A resolution which evoked a fairly long discussion was moved by Prof. H. L. Kaji and read: "This Conference is strongly of opinion that earnest efforts should be made to organise Consumers' Societies in the Presidency on sound lines. For this purpose the Conference recommends to Government the appointment of a Deputy Registrar of Co-operative Societies for non-credit work on the definite understanding that all charges of and incidental to this appointment should be borne exclusively by Government, and the appointment of special honorary organisers for selected areas in the first instance, and urges the Central Co-operative Institute to carry on an intensive educative propaganda to impart training and undertake, whenever necessary, pioneering of new types of societies."

Prof. Kaji remarked that everyone of them was a consumer and none could object to a measure seeking to organise them through joint official and non-official agency by the appointment of an officer held responsible for the organisation of the Consumers' Societies.

Mr. C. S. Deole moved an amendment deleting the words from "For this purpose," to "in the first instance," and observed that the co-operative movement being spontaneous should not wait for official help, in as much as no amount of official assistance without the necessary conducive circumstances would be of any avail.

Another amendment wanted—in the words of Mr. Dehiavi—Government's money but not Government's man. It asked for Rs. 6,000 from Government for the first five years.

Several speakers followed, some declaring themselves against the spending of the general tax-payers' money and others welcoming the idea of appointing a Deputy Registrar. Finally, Mr. Deole's amendment was carried as a substantive proposition.

More resolutions followed. One suggested a further reduc-



tion from five to four per cent. in the rate of interest charged to old Housing Societies; another stated that encouragement should be given to hire-purchasing system in regard to the housing problem; while a third wanted concessions to be given in the assessment of agricultural plots converted into non-agricultural plots for the purpose of building houses by or through co-operative societies.

Considerable time was taken up in the discussion on certain projected changes in the constitution of the Central Co-operative Institute.

#### THE MINISTER'S SPEECH.

The Hon. Mr. Dehlavi then rose amidst loud applause and thanked the Conference for giving him that opportunity of being in direct touch with them and educating himself on that very important subject of co-operation which was making such wonderful progress in this Presidency. After congratulating them for the keen interest they took in that movement, Mr. Dehlavi remarked that, as a Minister who held that portfolio, his position would be happy or unhappy according as they made it. As a Minister who represented the people on the Cabinet of Government he had a happy position, but that could be made most unhappy if he did not have the confidence and if he was not in touch with the people whom he represented. (Hear, hear). He was a sort of connecting link between the people and Government. He was more theirs than Government's (Hear, hear) he was theirs in Government, "I am there," he continued, "for your purpose. I am there for the furtherance of the people's intentions and aspirations as far as it lies in the pale of practical politics and practical administration. And, here, I would lay the greatest stress that if we are not practical men and practical administrators, I do not think we are worthy of that independence for which we are aspiring. I hope I have your entire support. This I say, because I noticed tendency to attack Government rightly or wrongly. I think that should be given up, particularly when we have met here to consider and deliberate over a movement in regard to which, we must acknowledge, we owe a great deal to government.

It was Government who brought this movement into this



country, and they should be the last to be suspected by the people. Any de-officialisation must be proceeded with cautiously. You are in the initial stages in many branches of this movement and you cannot give up the official link which connects you with Government. You have had weighty enough assurances from H. E. the Governor in whose speech on Saturday there was nothing which you cannot admire. Those assurances must be relied upon and the fullest confidence must be reposed in them. We are at present considering a programme which will be launched in the near future in the best interests of this movement and of the people. When you have a Government which is doing all it can at great expenditure, and when you have to make a great deal of progress, you have to be cautious in your expressions and not alienate their sympathies. You should leave Government to do the best thing for you and allow your Minister to carry out the schemes which he thinks fit. I give this advice with a view to facilitate the progress of this movement."

#### APPEAL FOR MODERATION.

Dealing with the Co-operative Bill, he asked them to show the same spirit of confidence, so that strengthened by their support he might be more easily carry out his schemes. He welcomed them to remove any defects that might be found in the Bill, but, he said, it would be uncharitable and a mistake to think that the Bill was a trick on the part of Government to check the exercise of their legitimate independence. They should not attempt to take away executive power from the hands of Government, as such an action or anything amounting to a want of confidence in Government was inimical to the movement. Their demands, he concluded, must be reasonable and moderate and they should ask for those which they would give as practical administrators if they had to deal with a huge department with a great but distant future which they were approaching in the best of spirits.

Mr. G. K. Devadhar proposed a vote of thanks to Mr. Dehlavi. He assured Mr. Dehlavi that his words of sage counsel would be borne in mind by all of them. While thanking



Government for the help they were giving to the movement, he pointed out that the people should be allowed to bear their own share of the joint and common responsibility attaching to co-operative work. No want of confidence was intended. Having learnt the lessons taught by Government, as self-respecting and self-reliant men, they wanted to play their own part in the working of the movement. There was no question of curtailment of powers but lightening of burdens. He assured the Minister of every support in his endeavours to further the cause of co-operation.

The motion was carried with great enthusiasm and Mr. Dehlavi left the hall. Mr. Devadhar filled the chair for the rest of the evening, which was spent in discussing proposed amendments to the Co-operative Bill. These laid special emphasis on the de-officialisation of the movement. After carrying suggestions for alterations in the details of the Bill, the Conference dispersed, Mr. Devadhar announcing that the next session would be held at Dharwar.

#### LADIES' CONFERENCE.

A ladies' Conference, organised by the Central Co-operative Institute, was held in the Sir Cowasji Jehangir Public Hall, on the same day, Mrs. Hirabai Tata presiding. There was also an exhibition, at which various products of co-operative societies and ladies organisations were displayed. The exhibits consisted chiefly of needle and embroidery work. The proceedings of the Conference were entirely in vernacular.

The president in the course of her speech dwelt at length on the important and leading part taken by women in the co-operative movement in Europe. She traced its inception in England from 1820 when, she declared, 250 families set up a colony which became gradually prosperous. Later on John Stuart Mill developed the idea of co-operation and made known the fact that co-operation among the masses was the beginning of self-government. The ideal of the co-operative movement was self-help and co-operation. Mrs. Tata observed that unfortunately many co-operative societies had failed for want of efficient management and funds. In a city like Bombay with a



large number of educated ladies and a vast scope for useful work which co-operation offered to them, the co-operative movement should be able to enlist a large number of workers from amongst them. She, in conclusion, urged the necessity to extend the scope of womens' co-operative guilds in this Presidency and make it a powerful institution for furthering their economic interests.

Mr. G. K. Devdhar then explained in detail the history of the co-operative movement in Great Britain and other countries of Europe. He expressed the view that co-operation was a necessity of the poor and not of the rich : It had raised the moral and material standard of the poor. In England at present one-third of the population were members of co-operative or friendly societies. He had no doubt whatever that the movement tended to develop the character of man. India being mainly an agricultural country he thought the co-operative movement would go a great way in ameliorating the condition of agriculturists. Nearly Rs. 36 crores were being advanced to them. Besides, he said, some high schools and boarding institutions had been established on the principles of this movement, India afforded a vast scope for useful work. It was for the women to join the movement and extend the scope of co-operation. He hoped that women of all classes would flock to it and help to promote the spirit of co-operation which alone could pave the way for the betterment of the country.

Prof. H. L. Kaji, expressed his gratification that the women of Bombay had made a good beginning in convening that Conference. He hoped that the next conference would be a representative one with delegates from all parts of the Presidency. He emphasised that it was incumbent upon women to save where men failed, and the best way to do that was by purchasing their wants through co-operative agencies and by putting their savings, however meagre, in co-operative Banks. He thought that they should start societies for the promotion of thrift. He finally hoped that the Gujarati ladies would emulate the example of their Maharashtriya sisters and form a society of their own.

The proceedings terminated with the singing of the National Anthem.



## CO-OPERATION IN THE PUNJAB.

## MANY-SIDED ACTIVITIES.

Below are given extracts from the Punjab Government's review of the annual report on the working of Co-operative Societies in the Punjab for the year 1924 :—It is difficult to assess the results of the many-sided activities of the co-operative movement in the Punjab in the somewhat restricted limits of an annual report, dealing as it does mainly with facts and figures.

The year was on the whole economically favourable for the cultivators with a consequent favourable effect on the work of the Department. The increase of Rs. 46 lakhs in the capital of the primary societies, agricultural and non-agricultural, the record total of recoveries of advances and the net addition of 1,057 societies registered are striking examples of this.

The Punjab Co-operative Union has further consolidated its position, and is doing very useful work in fostering a common interest between the various classes of co-operators. This Union provides the sub-inspectors for the societies, and it is satisfactory to note that it is now nearly able to meet the growing demand for these officials.

Two new Central Banks have been registered and two new Banking Unions, bringing the total up to 41 Central Banks and 68 Banking Unions. The Central Banks have materially strengthened their positions by increasing their deposits from individuals by Rs. 25 lakhs and from societies by Rs. 2 lakhs, while at the same time half a lakh has been added to their paid up capital and 1½ lakhs to their reserves. Though the Banking Unions are making slower progress, they also succeeded in increasing their working capital from deposits by individuals by 3 lakhs to a total of nearly 45 lakhs.

Despite heavy losses due to plague and to the cancellation of 251 societies, the membership of primary credit societies increased by nearly 29,000. The share capital decreased slightly owing to the number of societies which completed their first ten years, and returned their deposits to their shareholders, but the reserve was augmented by nearly Rs. 7 lakhs.



### CONSOLIDATION OF HOLDINGS.

Of recently initiated schemes the Consolidation of Holdings Societies have met with the largest amount of success. The results already attained are in many cases little short of marvellous, and there is no doubt that, as the beneficial effect of consolidation becomes better known, this will prove to be one of the most successful spheres of the Department's activities. Consolidation was carried on in 67 villages, 31 new societies were registered with an increase of 1,753 in the number of members and 11,352 acres were re-adjusted, reducing the number of blocks by over 11,000. The chief work has been in the Jullundur District, but Gurdaspur and Sialkot are also forging ahead.

An interesting development is the Compulsory Education Society, the progress of which, Government will watch with interest.

The number of non-agricultural Societies has grown from 444 to 607, the largest increases being under Credit Unlimited with 71 societies and a thousand new members. The share capital of the Weavers and Dyers Societies has increased slightly, while the profits are nearly twice what they were last year. A large order from the Controller, North-Western Railway Stores Department, has been received, which should swell the profits of the Central Weavers Stores, which decreased considerably during the present year. Credit Societies, of which the most important is that of the North-Western Railway with a membership of 5,000 and a working capital of Rs. 8½ lakhs, continue to do good work where the conditions are favourable for such institutions. The failure of Supply Societies, furnishes almost the only note of disappointment in the department's record.

The special attention paid to the audit and systematic inspection of the societies has produced a steady improvement. This is of the utmost importance and it is very satisfactory to find that despite the raising of the standard required for the 'A' classes the number of societies in the first two classes has risen from 2,808 to 3,093.



## CO-OPERATIVE CREDIT AND FLOOD RELIEF.

## WHAT HAS BEEN DONE FOR THE PEOPLE.

Mr. Israrun Nabi, Junior Assistant Registrar of Co-operative Societies, writes to the Pioneer:—Readers of the Pioneer have had the opportunity of seeing many descriptive accounts of the recent floods and the damage they have caused. The public have generously responded to the appeal for help, and it is but due to the subscribers to inform them as to the manner in which their contributions have been utilised.

At the first onset of the calamity the primary consideration was that of saving the lives of human beings and animals, first by actual rescue operations, and then by providing them with the necessities of life in the shape of food, fodder and shelter. The next step was that of restoring confidence and giving heart to the afflicted people. It was of great importance that the consequences of disaster should not be permanent but that an opportunity should be given to the people of regaining their immediate livelihood by enabling them to prepare land for the next harvest. Large sums were distributed with this object in view and with admirable results. At a very early stage, however, it was discovered that a serious obstacle had to be encountered. Sufferers of the better classes, comprising both small landholders and the more substantial tenants, had lost more than others, but even in their distress refused flatly any form of gratuitous relief preferring rather to die of starvation than being the recipients of charity.

In order to meet this difficulty a scheme has been devised by Mr. Nevill, the Collector of Agra on the principle that where gratuitous relief is impossible owing to the scruples of the people, these scruples can be overcome by treating the relief as a loan. With this object in view a considerable proportion of funds available have been utilised in a manner which will not only afford timely help to the distressed, but should constitute for them a source of permanent benefit. In many parts of the afflicted areas co-operative village societies have been formed and loans given to the members from capital provided by the relief



organisation. This scheme has attained rapid popularity, and already some 30 societies have started work.

#### LOANS AT MODERATE INTEREST.

Loans, based on the status of the borrowers, have been granted to members at the low rate of  $6\frac{1}{4}$  per cent. per annum, repayable in four instalments. The principal thus repaid will be treated as a reserved fund of the society, and thus constitutes a permanent endowment. By means of the loans the borrowers obtained sufficient money to rebuild their ruined houses and carry on their cultivation. Had the money thus obtained been a mere charitable grant, the position of the people who have lost all their capital would inevitably deteriorate in a short time. For every crop the cultivator requires money to enable him to purchase seed, bullock, manure and the like, and also in many cases to construct wells—demands which necessitate borrowing until the harvest is reaped. But when, owing to a calamity, credit has disappeared and money is obtainable only at an exorbitant rate, existence becomes more and more difficult, and the position of the cultivator grows steadily worse. Where, however, he can borrow from his society and repay in easy instalments from his future produce, his anxieties are mitigated, and the more successful the operation of the society, the greater the growth of prosperity in his villages. Where the experiment succeeds, progress must be continuous. The society earns interest from the members at  $6\frac{1}{4}$  per cent. from which must be deducted  $1\frac{1}{4}$  per cent. for the expense of management, leaving a clear profit of 5 per cent. Consequently capital invested in societies to the amount of Rs. 30,000 will yield Rs. 1,500 per year, or over Rs. 15,000 in the course of ten years.

#### COMPULSORY SAVING.

Further the finances of the societies will be constantly strengthened by the growth of share capital. Under the rules every member is required to be shareholder and to purchase at least one share of Rs. 20 payable in twenty half-yearly instalments. At the end of ten years he will get a dividend on his



share capital at the rate of ten per cent. per annum. Shares are allotted on the basis of assessment of individual members according to their status by the *panchayat* of the society. For every Rs. 50 of his assessment he is expected to purchase one share and to deposit from his earnings one rupee per share at each harvest. This is a system of compulsory saving which at the same time strengthens the finances of the society.

Thus societies with a capital of Rs. 30,000 would have at least 600 shareholders, involving an annual addition to their capital of Rs. 1,200 in shares, plus Rs. 1,500 in net profits at 5 per cent., plus any interest earned on the additional capital. Consequently after seven or eight years the societies would have at their disposal a capital almost equivalent to twice the amount now granted by way of relief. In some societies members who have so thoroughly grasped the advantage of the share system have purchased very many more shares than the minimum demanded, preferring their own estimate of their financial position and saving capacity.

Without attempting to enter into lengthy details, I may be allowed to point out that the operations of these village banks are by no means limited by the extent of the endowment given by way of relief. It is recognised that in many cases members will require further help after repaying the initial instalments of their loans. It is obvious that a society thus endowed can afford to borrow at the normal rate of interest from the Central Bank and yet maintain the low rate of  $6\frac{1}{4}$  per cent. for its members so long as the additional capital does not exceed half the original endowment. Another means of re-inforcement now being adopted is that of obtaining from sympathisers with the movement guaranteed deposits bearing interest from 6 to 8 per cent., a form of assistance which puts no excessive strain on the liberality of those who are unable to make further gifts outright. It is gratifying to note that one of the directors of the Jaroli Banking Union has undertaken to assist half a dozen of the new societies in this manner, and it is expected that other such offers will soon be forthcoming. With aid in this form and with the growth of the share capital the need for borrowing from Central Banks will soon be obviated.



### IMPETUS TO THE CO-OPERATIVE MOVEMENT.

This admirable scheme is worthy of imitation in other districts which have suffered from the flood. Our thanks are due to Mr. H. R. Nevill for the production of a scheme which will not only afford much needed relief to a most deserving class in their dire distress but which will give fresh impetus to the development of the co-operative movement in a district which was already proud of its achievement in this direction. Rai Sahib Munshi Amba Prasad, M.L.C., has also done much in the way of organising societies in flooded areas at much personal inconvenience and expense. Additional value has been derived from the fact that the task of organising these societies and distributing the initial loans has devolved upon the sub-divisional officers, who have thus acquired, with the aid of the departmental officers, a first-hand and practical knowledge of a system with which hitherto they have been associated mainly as advisers and critics.

### CO-OPERATION IN C. P.

A new development is now being witnessed in the sphere of Co-operative Credit in the Central Provinces. In view of the steady growth of bad and doubtful debts in the books of Central Banks, caused by defaulting societies, the Registrar, Mr. N. J. Roughton, I.C.S., has issued a circular letter requesting every Central Bank in the Province to furnish him with full and complete details in order to enable him to put up a powerful and convincing case for the Local Government to sanction the proposal that awards against defaulting societies should be executed not through Civil but Revenue Courts. In other words, it is proposed that Government may be good enough to assist the Co-operative Department by collecting its advances much in the same manner as it collects its own land revenue, such recovery being made, of course, only from such societies as default and against whom an award is given either by the Registrar or a proper arbitrator.



This proposal was first put forward by the Provincial Committee on Co-operation over which Mr. Moss King, I.C.S., presided, and of which Mr. H. R. Crosthwaite was a member. The Local Government rejected it. The danger is now recognised on all sides to be so great that Mr. Roughton is compelled, as the protector of the movement, to re-open the question and approach the Government again.

The methods adopted by members of defaulting primary agricultural societies are extraordinarily subtle, and the President of the Saugor Central Bank, an Indian gentleman, in describing them says that the difficulty experienced in effecting recoveries from societies through the execution of awards is increasing day by day. "Every society under attachment seems to think that it will be necessary for the members to pay up the dues only when a warrant of attachment is served on them. When a warrant is actually served the members prefer the attachment of their property to paying up in cash! Sometimes a member avoids the attachment of his property by evacuating his house and leaving his village." His friends and neighbours give little or no help to the Civil Court authorities sent out to execute the award. As a matter of fact they offer subtle obstruction by giving evasive replies and false estimates when questioned as to the value of the runaway's assets.

To make matters worse, the Court restricts the sale of bullocks, calves, carts and houses from the property under attachment. Grain accumulations are frequently transferred to third parties and it is next to impossible to trace or ascertain the exact quantity so transferred by each particular individual of a society. Worse than this, even, when after a great deal of trouble, the fraud is detected and the surreptitiously handed over stocks are separated and put up for auction, a fresh difficulty arises. Such of the members as have not quitted the village immediately appeal to the Civil Court praying for its clemency seeing that they have to pay land revenue and keep by sufficient seed for sowing. When all these difficulties and objections are brushed away and defaulter's property (or the property of more than one defaulter) is put up for auction—no purchaser comes forward and the auction is rendered a farce!



“The worst of it is,” continues the President, “the Civil Courts, following their time-honoured attitude towards distressed debtors are always inclined to be more than sympathetic towards such a poor class of debtors as the agriculturists.” He does not blame the Civil Courts, for they must administer Justice according to law, traditions and circumstances.

## LOANS TO COTTAGE WORKERS.

### NEW UNITED PROVINCES SCHEME.

The scheme framed by the United Provinces Department of Industries in consultation with the Department of Co-operative Societies for advancing loans to cottage workers of non-agricultural industries which was also supported by the Board of Loan Commissioners has been finally sanctioned by the Government.

In view of the difficulty of advancing Government loans direct to cottage workers and of recovering such loans when they become repayable, it has been decided that State financial aid to cottage workers should take the form of loans to Co-operative Societies of industrialists through district or central co-operative banks which are prepared to organise and supervise such societies. Interest at 7 p. c. will be charged on Government loans given to central societies and they will be allowed to charge borrowing primaries interest at a rate agreed upon by the latter. This rate will ordinarily be  $9\frac{3}{4}$  per cent. and shall in no case exceed  $12\frac{1}{2}$  per cent.

A sum of Rs. 20,000 has at present been placed at the disposal of the Registrar, Co-operative Societies for making loans to central societies and industrialists who wish to benefit by the scheme are advised to form themselves into societies and apply through the central societies to which they are to be affiliated. Rules indicating the scope of the scheme and the method of its working can be had from the office of the Director of Industries, Cawnpore, or the Registrar, Co-operative Societies, Lucknow.

The Department of Industries will endeavour to provide



marketing facilities through the Emporium attached to the School of Arts and Crafts, Lucknow, for the manufactures of Societies which borrow loans in accordance with these rules, but no definite guarantee for the purchase of part or whole of the manufactures of any Society can be given.

## **THE INTERNATIONAL CO-OPERATIVE EXHIBITION AT GHENT.**

*By* VICTORY SERWAY.

On the day following the Besle Congress at which Edouard Anseele had explained briefly the idea of an international exhibition, and had invited the Alliance to hold its next International Congress at Ghent, he remarked to me : "The idea is launched ; it now remains for you, my dear Serway, to realise it." I then asked myself whether we Belgians would be able, three years hence to set before international co-operators something really adequate. Well, we set to work and obtained energetic and intelligent collaborators. The Exhibition opened on the 15th June last, and now that it has closed its doors, I, and many others consider that it did not do badly. Indeed, it was the success it should be. We were confident, knowing that in spite of the chaotic situation of Europe and financial and other difficulties, world Co-operation would do its duty.

The aid rendered us by the Alliance was very valuable, and the extremely fraternal collaboration of all countries considerably facilitated our task. Yes ! the Exhibition was a success. Successful from the point of view of the number of countries taking part, the beauty of the stands, and the large crowds of people ; successfull also from the financial point of view beyond all exception, since the Exhibition has closed not only in a solvent position, but with a balance sheet that inflicts no loss upon the organising and guaranteeing societies. This is a result, we venture to think, without precedent in such ventures.

The International Co-operative Exhibition, which closed its doors on the 15th September, was for three months the



rendezvous not only of co-operators from all countries, but also of many persons interested in social questions. They came from all quarters of the globe, but the Belgians were naturally the most numerous. Every Sunday several thousands of visitors from each of our large town and industrial centres flocked to the Exhibition. Czecho-Slovakia, Switzerland, and Holland, were amongst the countries which sent large numbers to do honour to Ghent and to the Exhibition.

The Exhibition was a centre of instruction. All the exhibitors distributed thousands of leaflets, pamphlets, and books many of them profusely illustrated, and summarising co-operative activities. There was not a section without either pictures, posters or designs, extolling the virtues of Co-operation and prophesying the reign of the consumer. Everywhere the desire of the exhibitors was manifest to educate, instruct, and uplift.

The Co-operative Organisations came to Ghent, not with the mercantile spirit characteristic of traders and manufacturers taking part in some fair or exhibition, but with the praiseworthy motive of promoting the co-operative idea, and rendering it intelligible to all as humanity's law of the future.

Hope in the highest destiny of the Movement was voiced in all tongues. Even the most sceptical went away showing concern at the effort everywhere manifested, at the dream purpose which was clearly indicated in the words: "to substitute for the present competition a regime of mutual aid and self-help." This purpose was carefully expressed in art and a knowledge of the beautiful, which were truly eloquent, at the same time reflected completely in the architecture and decoration of all the sections. It was strengthened by the memorable exhibition of the works performances of the best artists and leading societies.

The place Publique radiantly white and marvellous in its symetry, with its virile statue representative of Co-operation, and its fine mural paintings, were still further demonstrations of the artistic sense reflected in the minds of the organisers down to the realism of Co-operation.

For those who were able to view the Exhibition, it was indeed a joyous sight. It is the first time that a Co-operative Exhibition has brought together so many nationalities, and so



many different forms of Co-operation—from the small store to the large distributive society with 100,000 members; from the humble savings' society to the banks whose operations run into milliards; from the small productive workshop to the vast network swarming with industrial enterprises; from the most modest agricultural society to enterprises for cultivation and forestry.

Truly, the International Co-operative Exhibition was a most eloquent manifestation of the confidence of co-operators in their own cause.

## **A CO-OPERATIVE GARDEN CITY.**

### **THE BIG SCHEME OF A BRITISH DISTRIBUTIVE SOCIETY.**

The Royal Arsenal Co-operative Society at Woolwich has just started the co-operative world by its enterprising purchase of the British Government's Housing Estate at Well Hall, within 10 miles of Charing Cross.

The commercial press and general public have alike been aroused to interest in this venture of a Workmen's Co-operative Society and the capitalist exploiters received a heavy blow by the unexpected action of the Co-operative Society which made the Government a firm offer for the estate, while the exploiters were holding off for the opportunity of fleecing the Government more effectively for their own advantage.

The estate was laid out on excellent garden-city lines in 1916, is exceedingly well constructed of good materials, and originally consisted of 1,299 houses and flats erected at the rate of 14 dwellings to the acre.

According to a report of the Committee of Public Accounts issued in 1917, the total original cost to the Government was £808,000, of which £40,381 was the cost of the land and £57,319 was the expenses incurred in the making of roads and sewers. The agreed purchase price is £375,000 plus duties on the conveyance and legal expenses.



In submitting the proposed purchase to the members, the Committee of the society pointed out that since 1918 the share and loan capital of the society has been accruing at the rate of £100,000 per annum, exclusive of reserve funds and the repayment of trading capital by the usual depreciation allowances. The surplus funds of the society at present amount to £870,000, the purchase of the Well Hall Estate would, therefore, provide a useful investment to the society.

A separate organisation is to be formed to work the estate as a separate section of the society and thus keep its affairs distinct from the trading concerns. The control and management will, of course, be vested in the existing society and its officials.

The proposals of the committee, which excited a good deal of interest amongst the members, were adopted with practical unanimity by the meetings held to consider them. It may be added that this is not the first venture in housing of the Woolwich Society. So long ago as 1898 the society purchased a farm at Bostall, about four miles from the present purchase, which, together with a smaller farm purchased 12 years previously, constituted the Bostall Estate well-known to international co-operators of an earlier period, and the subject of a paper at the Manchester Congress of the I.C.A. in 1902. That estate comprised 170 and cost for the two farms £47,050. The plan of the society was to erect 3,500 houses which were to be let or sold on lease to the members of the society. The progress was at first rapid, but later received two checks the first due to a period of economic depression and the second produced by the outbreak of the war in 1914. Up to that time 1,052 houses had been built and 919 had been leased. Since the war the work has again advanced, and recently 28 houses, newly erected were sold on lease in a few hours. For character and value there is nothing in the metropolitan district to equal them, except the houses of the newly purchased Government estate at Well Hall. The early decision in the case of the Bostall Estate, that the freehold should be retained by the society and that the houses should be constructed by the society and only sold subject to a lease was the cause of considerable controversy at the time. In



practice, however, the principle has proved a sound one, and the estate has retained its co-operative character. No building for the sale of intoxicating liquor exists on the estate, and the only business premises it contains are the co-operators' own branch store, and the Building Works' Department, while there is also the delightful recreation ground of the Society.

The same principles which governed the earlier venture of the Woolwich Co-operators will govern the administration of their newly-acquired Garden City. It is a remarkable undertaking, in which Co-operators of every land will wish them success. It is at the same time one of the most resounding proclamations of the coming of the Co-operative Commonwealth which the British Co-operative Movement has yet produced.

### CO-OPERATIVE RECRUITMENT WEEK IN FRANCE.

The French Federation of Distributive Societies holding its annual Co-operative recruitment week from November 30th to December 7th, and an appeal was issued to societies asking them to organise demonstrations with a view to swelling the ranks of Co-operation. As in previous years, a poster had been designed for the occasion and propaganda literature issued on a large scale for distribution throughout the country. It was left to individual societies to make their own arrangements, such as the organisation of fetes at which the advantages of Co-operation could be briefly explained. The present time is particularly appropriate for Co-operative propaganda in France, in view of the great increase in the cost of living, which is causing serious concern to all sections of the community. The week set aside for special propagandist effort has resulted in the enrolment of numerous recruits.



## CENTRAL ANTI-MALARIAL SOCIETY.

### *Fifth Annual General Meeting.*

#### SIR J. C. BOSE'S ADDRESS.

Public appreciation of the excellent work that is being carried on by the Central Co-operative Anti-Malarial Society, Limited, in combating the spread of Malaria and Kala-Azar was strikingly demonstrated by the crowded attendance in the annual meeting held on 21st March at Albert Hall under the presidency of Sir J. C. Bose. The hall was packed to suffocation and on the "dais" were noticed Sir Kailas Chandra Bose, Mr. G. S. Dutt, Rai Bahadur P. N. Mukerjee, Dr. Chunilal Bose, Dr. S. Bose, Hiralal Sinha, Ramdas Dey, Messrs. Hari Sankar, Sailaj Lal Chatterjee, Akhoy Kumar Bose, K. P. Ray, Ray Bahadur A. C. Banerjee, M.L.C. and Rai Mohasaya of Bansberia.

The proceedings commenced with a song by the members of the Ghola Anti-Malarial Society. The Secretary in his annual report referred to the striking growth of the Society which had made a modest beginning with three villages only in the year 1918, but during the quinquennium the area of operation had extended to 433 villages. The Secretary particularly mentioned "the restricted franchise given to the people to carry on their own affairs including prevention of epidemic diseases and rules laid down by the Local Self-Government" as acting as "drag" to the movement. Instance was cited of "Municipality which wanted to get up public water supply on the instalment system from deep tube wells. The heavy hands of the Sanitary Department were laid on them. They were told that no water can be had by tube well in that locality and filtered water schemes costing Rs. 40,000—a patent of some European firm was drawn up for their benefit."

#### SIR J. C. BOSE.

Sir J. C. Bose in opening the meeting said: "It has been a matter of great personal regret, that the exacting nature of



my researches had compelled me to become more or less a recluse, and prevented my taking active part in many national movements in which I am deeply interested. There can be no doubt that for securing national efficiency two things are essential, a healthy mind and a healthy body, the two being closely interested to each other. The spread of preventable disease not merely lowers national efficiency, but threatens the very existence of the people as is made abundantly clear from the dwindling population in many districts. The most dreadful scourge which has been afflicting the country is malaria; its spread can however be arrested by appropriate means requiring the concerted action of the people. I was greatly impressed by what I saw in Japanese villages, where every householder not only keeps his own plot of land clear of jungle, but also maintains the road in front of his house clean. It is by such simple co-operative action that they ensure their health and the efficiency of their village organisations. The Anti-Malaria Society has embarked on the most laudable attempt of educating the people. It is a matter of much gratification that a large number of educated Indians are taking an active part in this co-operative work.

In this connection I would venture to suggest an additional item which may be carried out by some of your workers. My own researches make me increasingly realise the influence of mind over the body. The body easily succumbs, when the mind is in a state of depression. Hence it is essential to cultivate cheerfulness by increasing sources of healthy amusement. We were once a happy people, there were a succession of fair, and "melas" all the year round, at which people used to congregate; but the innocent joys of life are fast disappearing. There also used to be numerous forms of indigenous play, meant to develop physical strength and agility, every organ of the body thus became alert and active, and resistant to physical ills. I make my own scholars spend two hours every afternoon in "lathi-play"; this particular form of exercise renders their hands and wrist very supple, without which the extreme delicacy in adjustments of my sensitive apparatus would have been an impossibility. Most astonishing has been the effect of physical



culture on the health of my scholars. On an average more than thirty per cent. of my staff used to be incapacitated by illness; since the introduction of "lathi-play", the illness has been reduced to less than five per cent. I am deliberately of opinion that physical training should be made compulsory in our schools and colleges, the boy-scout movement and military training should therefore be greatly extended in all educational institutions. Co-operative movement, of which the anti-malaria society is a successful example, should be extended in other departments of national activity.

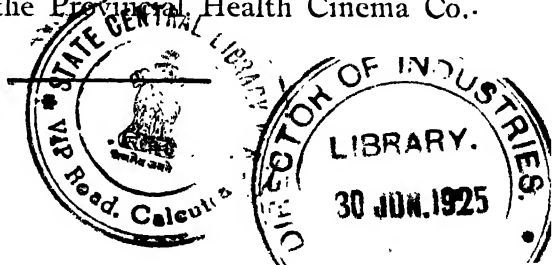
#### DISTRIBUTION OF MEDALS AND PRIZES.

The President then distributed the following medals and certificates of Honour to the best Medical and Anti-Malaria volunteers.

Sir Kailas Chandra Gold Medal for best Medical Volunteer—Dr. Joytirmoy Banerjee; Bejoy Sing Gold Medal for best Anti-Malaria meal worker—Pulin Chandra Ganguli (Jotgiri); Dr. Bentley Gold Medal awarded by one of his admirers for the best organiser—Patiram Roy.

Besides 129 certificates of Honour awarded to Medical volunteers ten silver medals and eight Hypodermic syringes were awarded to the following medical workers:—Messrs. Tusto Kanto Ghosh, Kaliprasanna Roy, Devendra Nath De, Harihar Sanyal, Nagendra Kumar Palit, Pabitra Chandra Sarkar, Lal Gopal Majumdar, Priya Lal Das Gupta, Md. Golam Nabi, Prabhat Chandra Banerjee, Jnan Sankar Das Gupta, Upendra Nath Ghose, Pran Krishna Mukerjee, Kanchan Bhushan Dutt, Jnan Chandra Chatterjee.

After the adoption of the amended bye-laws and the election of the members of the Board of Directors, some of the gentlemen present addressed the meeting. The meeting ended with bioscope show by the Provincial Health Cinema Co.





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